

The Incorporated Accountants' Journal

The Official Organ of
The Society of Incorporated Accountants and Auditors

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the first £175 of taxable income is to be substituted by an allowance of two-thirds of the standard rate on the first £135, all the remaining income being taxed at the full rate. Where the taxable income is as much as £175 the result will be about the same, but smaller incomes will derive a distinct benefit. There is a further allowance which will affect those having total incomes of less than £140, namely, an exemption of £125, and only 4s. in the £ on the balance up to £139. This is intended to help the taxpayer who has not more than £125 of total income, but who draws it wholly or partially from investments. The Chancellor points out that some persons in this class have been hit rather hard by the conversion operations.

Professional Notes.

ON behalf of the Society of Incorporated Accountants and Auditors the Council have submitted a Loyal Address to His Majesty the King tendering the Society's congratulations upon his Silver Jubilee, together with the Society's respectful good wishes for the long life and happiness of His Majesty the King and Her Majesty the Queen.

To commemorate the Silver Jubilee of His Majesty, the Council of the Society have forwarded to the Lord Mayor at the Mansion House the sum of 300 guineas as a contribution to King George's Jubilee Trust Fund, inaugurated by His Royal Highness the Prince of Wales.

We publish this month extracts from the Budget Speech of the Chancellor of the Exchequer, from which it will be seen that the alterations in regard to Income Tax are mostly in favour of small incomes. The present half-rate allowance on

Other alterations which will apply in the case of all incomes are an additional personal allowance of £20 in the case of married persons and an increase in the allowance for children to £50 for each child instead of £50 for the first child and £40 for each of the others, as at present.

The Government has decided to encourage students from abroad to finish their education in this country. The idea is that a student who has been trained here, when he enters upon active business, will be disposed to recommend the use of articles with which he is familiar rather than those made in other countries which have never come under his notice. The departments chiefly concerned are to be represented on the newly-formed British Council for Relations with Other Countries, and the Board of Education is to assist in placing overseas students in educational institutions. It is also expected that Parliament will be asked to give financial assistance.

An important decision has been given by Mr. Justice Finlay in relation to stamp duty on

the sale of land. It arose on an appeal by Messrs. Kimbers & Co., from a decision of the Inland Revenue Commissioners that the conveyance of a plot of land was liable to stamp duty not only on the price of the land but also on the price of a house to be built upon it. The duty in respect of the land would have been only £2 10s., whereas upon the house and land together it would have been £18 10s. His Lordship held that the lower figure was correct. He said there was a difficulty in treating the judgment as a test case because each case must depend upon its own facts. His view on the question generally, however, was that where the sale of the land and the building contract could be regarded as one transaction the proper stamp duty was on the price of both, but where there were two separate transactions the stamp duty on the conveyance must be confined to the price of the land.

In the case of *Dewar v. Commissioners of Inland Revenue*, a rather unusual point was raised in relation to which Mr. Justice Finlay said it was remarkable that there appeared to be no authority directly on the point. The appellant, Mr. J. A. Dewar, was entitled to a legacy of £1,000,000 under the will of his uncle, which legacy carried interest at 4 per cent. per annum on such part of it as was for the time being unpaid. He was also residuary legatee. Several payments were made on account but, on the advice of his accountant, Mr. Dewar decided to allow the question of interest to stand over, although the estate was, at all material times, sufficient to enable the interest to be paid. He also stated to the Special Commissioners that he had made no election as to whether he would ultimately claim interest or not.

Mr. Dewar's contention was that in computing his total income for Sur-Tax purposes he was not liable to include any sum in respect of interest on the legacy. The claim of the Inland Revenue was in effect that if a person makes an application of income (as in this case by leaving it in the residue) he must have been taken to have received it and paid it away again. The Special Commissioners held that he was assessable, as Mr. Dewar had voluntarily waived his right to receive payment of the interest, and in their view the voluntary foregoing of the interest ought to be regarded as an application of the interest.

His Lordship in giving judgment said that, if the executors of Lord Dewar had made any payment of interest, that would properly have made the appellant bear Income Tax by deduction, and it was a forcible observation that there

could be no deduction because there was no payment from which to deduct. The conclusion to which he had come was that until Mr. Dewar either definitely renounced the interest or took it, it was impossible to say what the position would be for tax purposes. If he definitely renounced the interest no tax would be payable; if he decided to take it, it would be liable to tax. Meantime the tax was not chargeable because Mr. Dewar had never received any interest either personally or by an agent.

An important point arose last month in the case of *Inland Revenue v. Crawshay* relating to the administration of a trust. Under a settlement made by their father his children were entitled to the income from certain funds subject to the payment of an annuity to the widow. The funds comprised foreign and colonial stocks as well as British Government and other British investments, but no appropriation had been made by the trustees for the service of the annuity to the widow. The whole of the trust income having borne income tax, one of the beneficiaries, Mr. Crawshay, claimed repayment of tax on the ground that he was non-resident. He maintained that the annuity should be deemed to have been paid out of the income from the home investments in respect of which a non-resident could claim no tax relief, such income being admittedly sufficient for that purpose, but the Inland Revenue Authorities sought to restrict his claim by regarding the annuity as having been paid rateably out of the income from all the different sources. They admitted, however, that they would not have made such a restriction if English investments had been appropriated for the service of the annuity, and in the circumstances Mr. Justice Finlay has now held, confirming the decision of the Special Commissioners, that the fact that there was no actual appropriation was immaterial, being merely a matter of book-keeping. In his opinion it was the duty of the trustees so to administer the trust as to afford the non-resident beneficiary the maximum benefit from the provisions exempting him from liability to English income tax.

Another point of an unusual character came before the Courts recently in the case of *Clack v. Clack*. An order had been made for the payment by a husband to his wife of 45s. per week for the maintenance of herself and her children. After making payment in full for some time the husband commenced to deduct income tax. The deductions eventually amounted to about £25, and the wife sought

to recover this sum on the ground that she was entitled to the full amount without such deductions. It was pointed out on behalf of the husband that he had to pay income tax on the amounts which he paid to his wife and it was contended that he should therefore be entitled to deduct tax. His wife would not suffer ultimately as she could claim the appropriate refund.

The magistrate who heard the wife's complaint was of the opinion that there was no right to deduct tax in the circumstances, but this decision has now been reversed in the Divisional Court, where it was held that Rule 19 of the All Schedules rules was applicable so that if a husband chose to exercise his legal rights there was nothing to prevent him from deducting income tax at the full standard rate.

The date governing the rate of exchange applicable to a legacy in a foreign currency was the point at issue in the case of *In re Eighmie; Colbourne v. Wilks*. A wealthy lady by her will left a legacy to the governing body of Chiswick Church of \$10,000 or its equivalent in sterling at the current rate of exchange, and Mr. Justice Eve has held that the value of the legacy must be determined by reference to the rate of exchange prevailing at the end of one year from the date of death of the testatrix.

Mr. George du Cros has been successful in his appeal against an assessment on a large sum received by him by way of compensation from the Dunlop Rubber Company, Ltd., for cancellation of an agreement under which he was appointed General Manager of the company for fifteen years at a salary and commission. He was originally assessed on the whole amount, but on appeal the Commissioners considerably reduced the assessment. Mr. du Cros appealed, contending that no part of the compensation was assessable. Mr. Justice Finlay in giving judgment said he did not see how anybody could say that the compensation was anything but damages for the repudiation of the agreement and the price of its cancellation. This could not be regarded as profits or gains, nor could one part of the sum be treated as damages and another as commission lost.

The House of Lords has reversed the decision of the Court of Appeal in relation to the liability to taxation of an amount of £450,000 which was paid by Jurgens, Ltd. to Van den Berghs, Ltd., in the year 1927 in respect of the cancellation of

the pooling agreement between the two companies. The Appeal Court held that it was impossible to treat the agreement between the two companies as an arrangement for the purchase or discharge of a capital asset as the payment did not secure the return or release of any such asset. With this view the House of Lords do not agree. Lord Macmillan in delivering judgment on their behalf said that the rights which Van den Berghs enjoyed under the agreements and which they surrendered, were a capital asset and the payment could not be treated as income. The agreements formed the fixed framework within which the company's circulating capital operated and were not incidental to the working of their profit-making machine. They provided the means of making profits but did not themselves yield profits. This decision reinstates the judgment of Mr. Justice Finlay in the Court of first instance.

The Increase of Rent and Mortgage Interest (Restriction) Act, 1935, just passed, concerns the deletion of the words "dying intestate" from the principal Rent Act. These words were doubtless originally included to prevent a possible interpretation contrary to the legal principle respecting tenancies and disposal by will, but in the reading of those words there have arisen certain anomalies not intended to apply to the Rent Acts. The amended section is the one which defines a tenant in connection with a controlled house and which specifies the household members who can succeed without the premises becoming decontrolled, following the death of the sitting tenant. Broadly, in law, the effect of the inclusion of the words "dying intestate" has meant that where a tenant has left a will, the widow or following tenant was not entitled to succeed as a tenant of a controlled house, whereas if the tenant has died intestate the right to continue with the premises under control has been present. Doubtless with most landlords this anomaly has not been taken advantage of, but with others the inclusion of those words has been noticed—an obvious anomaly.

The new Act now clarifies the legal position, and the relevant provision regarding the rights of the tenant to full control means not only the sitting tenant but, on his death—whether he dies intestate or with a will—the widow, if residing with him at the time of his death, or where a tenant leaves no widow, or is a woman, the next member of the tenant's family. If there is a disagreement as to which is the proper member to become the tenant, a decision can be obtained

from the County Court. Any such member, however, must be one who has resided with the tenant for at least six months immediately before the tenant's death.

A very necessary warning to the public against bogus share pushing was broadcast recently by the Attorney-General, Sir Thomas Inskip, as the result of information regarding the activities of certain persons who had issued circulars broadcast with the object of getting people to speculate. An example of the type of letters received from people who had been tricked was read by the Attorney-General and showed that a man had lost all his savings amounting to about £500. Sir Thomas Inskip's advice was—"Pay no attention to an offer of shares which comes from a stranger with a promise of quick profits. Have nothing to do with a person who pays you a call with a glowing offer of shares which are bound to go up. Ask yourself 'Who is this man, why should he offer me—a total stranger—such a wonderful chance of making money?' He added: "It is quite likely that the first transaction will result in a sum being paid to you to show you how easy it is to make a profit. That is the bait." We understand that the Stock Exchange heartily endorse this warning and suggest that it should be circularised so as to give it the widest publicity possible.

THE SOCIETY'S FIFTIETH ANNIVERSARY.

THE Jubilee celebrations of the Society of Incorporated Accountants, which took place in London at the beginning of last month, proved an unqualified success. The principal event was the dinner in the Guildhall of the City and it was fitting that on this occasion the Presidential Chair should be occupied by Sir James Martin, who has been closely associated with the work of the Society ever since its formation—for 33 years as Secretary and subsequently as Adviser to the Council. Some 200 guests were entertained officially by the Society, including the Lord Mayor (Sir Stephen Killik), the Danish Minister, the Norwegian Minister, several of the Judges, and numerous representatives of both branches of the legal profession and leaders of trade and industry. A full list of the guests and members will be found in the report of the proceedings which we publish in other columns. Altogether the company numbered about 750, and all were agreed that the arrangements made by the Secretary,

Mr. A. A. Garrett, were a model of organisation.

Before submitting the loyal toasts Sir James Martin read a telegram received from His Majesty The King, congratulating the Society on the attainment of its fiftieth anniversary, which evoked much enthusiasm. Following this the toast of "The Lord Mayor and Corporation" was proposed by the Vice-President, Mr. C. Hewetson Nelson, and responded to by Sir Stephen Killik, who said that no honour he had received did he prize more than the Honorary Membership of the Society which had recently been conferred upon him. The Rt Hon. Sir Boyd Merriman, President of the Probate, Divorce and Admiralty Division, proposed the toast of "The Society of Incorporated Accountants," to which the President responded. In the course of his speech he said that although the profession had not yet become consolidated, early contentions and strifes had been replaced by mutual regard and esteem, and the Society had established itself as a part, and by no means a negligible part, of the great organisation which had for its object the maintenance of the confidence of the public in systematic and correct accounts. Other toasts were "Trade and Industry," proposed by Sir Josiah Stamp and responded to by Sir Stephen Demetriadi, President of the London Chamber of Commerce; "The Guests," proposed by Mr. Cassleton Elliott, and responded to by the Dean of St. Paul's; and "The Chairman," proposed by Sir George Courthope. The speeches were excellent—some were humorous, some were witty, and all were commendably short with the result that the proceedings finished at a conveniently early hour. It may be said of after-dinner speeches as has been said of sermons, that if they are good they need not be long and if they are not good they cannot be too short.

The other functions included a Reception and Dance given by the Lord Mayor and Lady Mayoress at the Mansion House, an At Home by Sir James and Lady Martin at Incorporated Accountants' Hall, and a Ball at the Dorchester Hotel in Park Lane. These are more fully referred to in a separate article.

There was also an Address of Welcome given by the President at Incorporated Accountants' Hall, at which representatives of a number of overseas bodies of accountants and of branches of the Society tendered their congratulations. Messages of congratulation were also received from the Society's numerous branches and district organisations at home and abroad, as well as from other bodies of accountants in Great Britain and Ireland and in many lands beyond the seas. Following the welcome by the President, Mr. Hewetson Nelson, the Vice-President,

THE SOCIETY OF INCORPORATED ACCOUNTANTS' FIFTIETH ANNIVERSARY



INCORPORATED ACCOUNTANTS' HALL FLOODLIT

Supplement to "The Incorporated Accountants' Journal," May, 1935.

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Northwestern University

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The Joseph Schaffner
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gave a short resumé of some of the more important developments in the work of the Society, and of accountancy as a profession, which had taken place in the course of the last fifty years.

The Society was formed in the early part of 1885 and incorporated later in the same year. As already stated, Sir James Martin was closely associated with the Society from its inception, and it is not too much to say that its success has been in no small measure attributable to his wise counsel, sound judgment, tact and ability. In 1894 the South African Branch was established by Sir James Martin, who held a Power of Attorney from the Council of the Society for the purpose. Since then the membership throughout the Union has steadily grown in numbers and influence.

For many years the question of registration for the profession was a very live subject and at one time it seemed as if it might be accomplished, but difficulties materially increased as the years passed and at the present time the prospects of registration would seem rather remote.

The year 1907 was an important one—perhaps the most important in the history of the Society. It was then that by a judgment of the High Court the exclusive right of the Society's members to the designation "Incorporated Accountant" was definitely established. In the year 1929 the Supreme Court of South Africa followed the English judgment and upheld the Society's sole right to the designation in the South African Union.

On the resignation of Sir James Martin from the Secretaryship in 1919 he was succeeded by Mr. Garrett, whose organising ability and general efficiency has earned the esteem and warm regard of the members. In the same year the decision was arrived at to admit women to membership—a matter which had then been under consideration for some time but had not previously been viewed with unanimity. Other events worthy of note were the acquisition of Incorporated Accountants' Hall—one of the most beautiful buildings in Europe—which was opened by His Royal Highness the Duke of York in 1929. For the negotiation of this purchase the credit was mainly due to two past Presidents—the late Mr. G. S. Pitt and Mr. Henry Morgan. The Hall was acquired during the presidency of Sir Thomas Keens, to whom the Society is indebted for the territorial delimitation of the District Societies so as to cover every part of the country, and the provision of adequate financial resources for the carrying out of their work. This accomplishment has given great satisfaction in the provinces and solved some difficulties previously experienced by the district organisations.

In 1920 a review of the Society's Examination Syllabus resulted in various alterations, the chief of which was the introduction of Economics as an additional subject. This departure was regarded as necessary to equip the rising generation of professional accountants for the wider view of commerce and finance which modern conditions were demanding.

More recent developments were the Post-Graduate Course at Cambridge in 1934, in which Mr. Cassleton Elliott, who was then President, took a very active part, and the appointment of a Research Committee which took place only a few months ago.

While these are but brief records of some of the outstanding events, they are sufficient indication of the vitality of the Society and of the energy and enterprise with which its affairs are directed. During the fifty years of the Society's activities the membership has been steadily mounting up, the increase being more rapid in recent years. Commencing with some 300 members in 1885, the numbers at the end of the subsequent decades were as follows:—

1895	..	....	..	969	members
1905	..	..	..	2,111	"
1915	..	..	..	2,772	"
1925	..	..	..	4,435	"
1935	..	..	..	6,400	"

Of the original members only 11 remain, three of them being members of the first Council, namely, Mr. Frederic Walmsley, of Manchester, Mr. E. W. C. Whittaker, of Southampton, and Sir James Martin.

The operations of the Society are world wide. In addition to 23 District organisations, two of which are in India, it has eight Branches—one in Scotland, one in Ireland, one in Canada, two in Australia and three in South Africa. There are also members of the Society practising in many foreign countries. The fifty years of the Society's history have bequeathed to Incorporated Accountants a great tradition which we do not doubt they will uphold.

THE LIGHTER SIDE OF THE CELEBRATIONS.

(BY A LADY MEMBER.)

"So comes a reckoning when the banquet's 'o'er."—Gay.
AND a very pleasant reckoning it is. The Society was indeed fortunate to be able to call on Sir James Martin to take the Presidential Chair on the occasion of its recent Fiftieth

Anniversary Celebrations, and the sincere thanks of all members are due to him for the real sympathy and kindness with which he carried out his arduous duties ably supported by Lady Martin, and by Mr. Hewetson Nelson, the Vice-President, and his daughter.

Many distinguished guests attended the Guildhall Dinner on Wednesday, and a glance at the plan of the High Table revealed familiar names representing every walk of life and enhancing the Society's reputation by the very fact of their presence. The junior members should certainly be encouraged to attend such functions whenever possible, and be made to realise the dignity of their profession and their full responsibility to the public as members of the Society. It is so easy in the worries of everyday life to forget that each member is only a very small part of the whole, yet by that part the whole is judged.

It was a privilege to dine in such an historic building, and, in accordance with Guildhall tradition, punch and orange jelly were included in the menu. The Band of the Scots Guards played during dinner, and after dessert cigars and cigarettes were presented to the men, and cigarettes and silver pencils to the dozen women members who were privileged to be present. Some fifteen or twenty ladies—among whom was the Lady Mayoress—who had previously dined with Lady Martin, came into the Lady Mayoress' Gallery to hear the after-dinner speeches, and their gowns showed up in a pleasing splash of colour against the grey stone walls.

On Thursday morning Sir James Martin welcomed members and their visitors at Incorporated Accountants' Hall. Messages of greeting from all parts of the world were read, and congratulations were tendered in person by members of the accountancy profession from America, Australia, Canada, British Columbia, Denmark, India and South Africa. An original pen-and-ink sketch of Incorporated Accountants' Hall was then presented to Sir James by Mr. Cassleton Elliott, who humorously asked his permission as Chairman to make the presentation. The morning ended on a cordial note, and members and their friends took the opportunity of seeing the Hall and its architectural beauties, especially the many varieties of beautiful woods used throughout for the doors and panelling.

In the evening there was a reception at the Mansion House by the Lord Mayor of London, Sir Stephen Killik, and the Lady Mayoress, Mrs. Greenland. Sir Stephen is a member of the Society, and, in the words of one of the speakers at the dinner, had early left the impecunious folds of accountancy for the more remunerative

fields of the Stock Exchange. Some of the Mansion House plate which was set out in the Long Parlour attracted much attention, and dancing took place in the Egyptian Hall—a lofty room with dignified pillars and a ceiling beautifully decorated in blue and gold—to music by the Royal Artillery Band.

The President and Lady Martin were At Home on Friday afternoon to members and their friends at Incorporated Accountants' Hall. Pieces of old silver presented to the Society and some old books from the Society's Library were on view and a musical programme was given by the Band of the Royal Air Force. And so to the Dorchester for the final and most frivolous of the celebrations, a ball held in beautiful surroundings, finishing in the approved manner with a lively John Peel and Auld Lang Syne, before the guests scattered again to the four corners of the earth.

The Fiftieth Anniversary celebrations are already events of the past, but those who were fortunate enough to be present will not soon forget the smoothness and high efficiency of the arrangements due to the hard work of those responsible. They must feel proud to belong to a Society which is uniting its members by a growing tradition of dignified hospitality and breadth of outlook, and is educating the public to recognise and appreciate more and more its standards of trustworthiness and uprightness.

INCORPORATED ACCOUNTANTS' HALL

A brochure on Incorporated Accountants' Hall: Its History and Architecture, has been published in connection with the Fiftieth Anniversary Celebrations of the Society of Incorporated Accountants. The first edition of the publication, written by Mr. J. R. Willis Alexander, was issued in 1928 in connection with the acquisition of the Society's Hall, and a revised edition was published to commemorate the Opening of the Hall by Their Royal Highnesses The Duke and Duchess of York in 1929. The contents have been re-edited and enlarged for the current publication, which is the third edition, and the brochure has been artistically printed and produced.

The cover bears the Arms of the Society embossed in heraldic colours, and among the additions are a print of the site during the construction of the Victoria Embankment in 1865, a sketch of the President's Room, and a descriptive account, prepared by the Society's Librarian, of the characters depicted in the frieze of the large Hall.

Mr. Hanslip Fletcher's pen and ink drawing of Incorporated Accountants' Hall, presented to the Jubilee President, Sir James Martin, has been reproduced on hand-made paper in an attractive form. It has been decided to have a number of copies of this sketch of the Hall reproduced and signed by the artist, and to sell the brochure and the signed copy of the sketch at 6s. 6d. for the two.

The Society of Incorporated Accountants and Auditors.

FIFTIETH ANNIVERSARY CELEBRATIONS.

The Fiftieth Anniversary celebrations of the Society of Incorporated Accountants and Auditors took place in London on April 3rd, 4th and 5th.

DINNER IN GUILDHALL

THE celebrations commenced with a Dinner in Guildhall, the use of which was kindly granted by the Lord Mayor and Corporation.

Sir JAMES MARTIN, the President of the Society, occupied the chair, and was supported by the Lord Mayor (Sir Stephen Killik, F.S.A.A.) and the following guests and members:—

The Danish Minister (Count P. F. Ahlefeldt-Laurvig, K.C.V.O.); The Norwegian Minister (Herr Eric Colban); Lord Wright (Lord of Appeal in Ordinary); Viscount Goschen, G.C.S.I.; Lord Ashfield (Chairman, London Passenger Transport Board); Sir Boyd Merriman (President, Probate, Divorce and Admiralty Division); Sir Josiah Stamp, G.C.B.; Mr. C. Hewetson Nelson, J.P. (Vice-President of the Society); Mr. John W. Dulanty, C.B. (High Commissioner for the Irish Free State); Lord Hutchison of Montrose, K.C.M.G.; Lord Justice Slesser; Air Vice-Marshal F. W. Bowhill, C.M.G.; Alderman Sir George Wyatt Truscott, Bart.; Lord Amphil, G.C.S.I.; Lord Essendon; Vice-Admiral G. K. Chetwode, C.B.; Lord Aberdare; Earl of Iveagh, C.B., C.M.G.; Mr. Justice Luxmoore; Alderman Sir T. Vansittart Bowater, Bart., M.P.; Mr. E. Cassleton Elliott (Past-President); Admiral Sir Dudley Pound, K.C.B. (Second Sea Lord); Mr. S. M. Lanigan O'Keeffe (High Commissioner for Southern Rhodesia); Very Rev. W. R. Matthews, D.D. (Dean of St. Paul's); Sir Thomas Keens, D.L. (Past-President); Lord Askwith, K.C.B. (President, Institute of Arbitrators); Lord Iliffe, C.B.E.; Major-General Sir Philip Nash, K.C.M.G.; Lord Marks, C.B.E.; Colonel and Alderman Sir Louis Arthur Newton, Bart.; Lieut.-Colonel the Lord Herbert Scott, C.M.G. (President, Federation of British Industries); Mr. S. R. Beale (President, Association of British Chambers of Commerce); Sir Stephen Demetriadi, K.B.E. (President, London Chamber of Commerce); Lord Ebbisham, G.B.E.; Lord Plender, G.B.E.; Sir Burton Chadwick (Deputy Master, Hon. Company of Master Mariners); Mr. Henry Morgan (Past President); Lord Trent; Sir Horace J. Wilson, G.C.M.G. (Chief Industrial Adviser to H.M. Government); Mr. Joshua Scholefield, K.C. (Chairman, Railway Assessment Authority); Lord Rochester, C.M.G. (Paymaster-General); Alderman Sir Maurice Jenks, Bart.; Sir William Prescott, C.B.E. (Chairman, Metropolitan Water Board); Sir Stanley Machin; Sir Herbert T. Robson (Chairman, The Baltic); Sir Sydney Chapman, K.C.B. (Import Duties Advisory Committee); Sir Lynden Macassey, K.C. (Treasurer, Honourable Society of the Middle Temple); Mr. H. R. Blaker (President, The Law Society); Sir Richard V. N. Hopkins, K.C.B. (Second Secretary, The Treasury); Mr. Robertson F. Gibb; Mr. A. E. Cutforth, C.B.E. (President, Institute of Chartered Accountants); Mr. Alexander Williamson (The Master Cutler); Mr. Ewart G. Culpin (Vice-Chairman, London County Council); Sir David Milne-Watson, LL.D.; Sir Felix Cassel, Bart., K.C. (Treasurer, Honourable Society of Lincoln's Inn); Mr. Sheriff J. S. Pearce; Sir Thomas Phillips, C.B. (Secretary to Ministry of Labour); Mr. Alderman and Sheriff H. E. A. Twyford; Mr. Bernard Campion, K.C. (Treasurer, Honourable Society of Gray's Inn); Sir Gilbert C. Upcott, K.C.B. (Comptroller and Auditor-General); Mr. Cyril Gamon

(Private Secretary to the Lord Mayor); Mr. W. H. Ansell (Vice-President, Royal Institute of British Architects); Sir Charles J. Howell Thomas, K.C.B. (Permanent Secretary, Ministry of Agriculture); Judge Sir Mordaunt Snagge; Sir Ernest Benn, Bart., C.B.E.; Mr. Herbert W. Haldane (President, Society of Accountants in Edinburgh); Sir Duncan Kerly, K.C. (Chairman, Board of Referees); Mr. Robert Frazer (Consul-General for United States of America); Mr. R. Wilson Bartlett, J.P. (Newport, Mon.); Mr. Herbert G. Williams, M.P.; Sir George Stuart Robertson, K.C. (Chief Registrar of Friendly Societies); Sir Arthur Shirley Benn, Bart., M.P.; Mr. R. L. Barclay, C.B.E. (Director, Barclays Bank); Sir Harold Bellman, M.B.E.; Sir Frederick Butler, K.C.M.G. (Assistant Under-Secretary of State for Foreign Affairs); Hon. George Colville (Secretary, Institute of Chartered Accountants); Sir William McLintock, Bt., G.B.E.; Sir Gerald Woods Wollaston, K.C.V.O. (Garter Principal King of Arms); Colonel Sir George Courthope, Bart., M.P.; Mr. William H. Goff (President, Institute of Accountants and Actuaries in Glasgow); Sir Ralph E. Harwood, K.C.B. (Deputy Treasurer to H.M. the King); Sir Adrian Pollock (City Chamberlain); Sir Edward Crowe, K.C.M.G. (Comptroller-General, Department of Overseas Trade); Ven. Ernest N. Sharpe, M.A. (Arch-deacon of London); Sir Walter J. Womersley, M.P.; Colonel Arthur C. Davis (Deputy Chairman of Council, London Chamber of Commerce); Sir Alfred Lewis (Deputy Chairman, National Provincial Bank); Sir James Rae (Under-Secretary, Treasury); Paymaster Rear-Admiral Henry W. Woodward, C.B. (Paymaster Director-General of the Navy); Sir Cyril W. Hurcomb, C.B. (Permanent Secretary, Ministry of Transport); Paymaster Captain John Siddalls, R.N. (Deputy Judge Advocate of the Fleet); Mr. C. R. V. Coutts (President, Institute of Actuaries); Mr. H. E. Fass, C.B. (Public Trustee); Sir Henry McAuliffe; Mr. W. H. Coates, LL.B., Ph.D.; Mr. I. Graham Pattinson (New York, American Institute of Accountants); Mr. Frederick Whittingham (Chairman of the Coal, Corn and Finance Committee, Corporation of London); Mr. A. E. Dean (President, Institute of Municipal Treasurers and Accountants); Mr. J. M. Furniss (General Manager, Martins Bank, Liverpool); Mr. Charles G. Field (Vice-Chairman, Thames Conservancy); Mr. L. C. Blackmore Bowker, O.B.E. (The City Remembrancer); Sir Geoffrey Clarke, C.S.I.; Sir Ernest Gowers, K.C.B. (Chairman, Coal Mines Reorganisation Commission); Mr. Walter Bentley (General Manager, Westminster Bank); Mr. S. R. Greenland; Hon. A. E. A. Napier, C.B. (Deputy Clerk of the Crown); Mr. Alan Pitt Robbins (President, Institute of Journalists); Mr. S. Watson Smith, M.D. (President, British Medical Association); Mr. Maurice Petherick, M.P.; Mr. Walter P. Norton; Mr. A. E. Watson, C.B.E. (Principal Assistant Secretary, Unemployment Assistance Board); Mr. J. F. G. Price, C.B. (Deputy Secretary, Ministry of Labour); Mr. George Lormer (Melbourne, Commonwealth Institute of Accountants); Sir Richard Redmayne, K.C.B. (President, Institution of Civil Engineers); Mr. A. S. Juniper (Chairman, City Lands Committee); Mr. Alan Arnold (President, Chartered Surveyors' Institution); Sir Spencer J. Portal; Mr. Howard Foulds (President, Chartered Institute of Secretaries); Mr. Bryan Pontifex (Dominion Association of Chartered Accountants); Mr. A. L. Crampton Chalk (Institute of Chartered Accountants of British Columbia); Mr. Charles Hendry (President, Chartered Insurance Institute); Captain E. Brougham Glasier, T.D. (President, Auctioneers' and Estate Agents' Institute); Col. L. D. Henderson (Officer Commanding the London Scottish).

Mr. C. M. Rottboll (*Consul-General for Denmark*), Mr. Adam Maitland, M.P., Mr. E. M. Stapley (*Secretary, Bank of England*), Mr. Edward Wilshaw, J.P. (*Managing Director, Cables & Wireless, Ltd.*), Lieut.-Colonel R. L. Norrington, C.M.G., Mr. A. M. Latter, K.C., Mr. Ernest E. Spicer, The Hon. E. G. Eliot (*Master, City of London Solicitors' Company*), Sir Ernest Bain, K.B.E., Mr. C. J. Mill, Mr. A. S. Wade, Lieut.-Colonel R. E. Martin, C.M.G., Mr. Clement C. Gatley, D.C.L., Sir John Mann, K.B.E., Mr. S. H. G. Hughes, C.B.E. (*Accountant-General, Ministry of Health*), Mr. T. F. Laurie (*Dublin*), Mr. I. G. Gibbon, C.B. (*Ministry of Health*), Mr. Clement Davies, K.C., Sir Nicholas Waterhouse, K.B.E., Mr. Charles Norton, Mr. J. Ivan Spens (*Chairman, Association of Scottish Chartered Accountants in London*), Mr. W. A. Middleton, C.B. (*Chief Auditor, National Insurance Audit Department*), Mr. E. H. S. Marker (*Comptroller, Companies Department, Board of Trade*), Mr. John Fox (*Assistant Registrar of Friendly Societies*), Mr. V. F. C. Hawkins, Mr. A. G. Minter (*President, Incorporated Society of Auctioneers*), Mr. S. J. Campling (*Bankruptcy Department, Board of Trade*), Mr. H. G. Howitt, Mr. G. R. Freeman, Mr. R. B. Dunwoody, C.B.E. (*Secretary, Association of British Chambers of Commerce*), Sir Walter Lawrence, Mr. F. E. Armstrong, Mr. John A. A. Berrie, R.C.A., Mr. C. G. Garratt-Holden, B.A. (*Secretary, Institute of Municipal Treasurers and Accountants*), Mr. G. A. T. Allan (*Clerk, Christ's Hospital*), Mr. F. Greenwood (*Registrar of Joint Stock Companies*), Mr. F. J. Wrottesley, K.C. (*Recorder of Wolverhampton*), Mr. Paul Rykens, Mr. A. Purves, Mr. D. Hardwick, Mr. Charles Milne, K.C., M.P., Mr. Harold Brown, Mr. Paul C. Davie, Mr. O. R. Hobson, Mr. A. de V. Leigh, M.B.E. (*Secretary, London Chamber of Commerce*), Mr. W. A. Bulkeley-Evans, C.B.E., Mr. A. T. Roach, LL.B., Mr. John E. Dalglish (*Secretary, Joint Committee of Chartered Accountants in Scotland*), Mr. E. Mackenzie Hay, Mr. G. Ismay (*Treasury Officer of Accounts*), Mr. A. Greig, Mr. A. Galloway, J.P., Mr. Fred G. Dray, Dr. Hugh Parrott, Captain R. F. Leigh, Mr. L. B. Bell, C.A. (*Secretary, Society of Accountants in Edinburgh*), Mr. R. W. Bankes, C.B.E., Mr. G. A. Jenkin (*Assistant Secretary, Office of the High Commissioner for South Africa*), Mr. C. H. Isdell-Carpenter, O.B.E. (*Secretary, The Chartered Institute of Secretaries*), Mr. H. L. O. Flecker, M.A. (*Headmaster, Christ's Hospital*), Mr. F. R. Dale, M.A. (*Headmaster, City of London School*), Mr. E. P. Weller, M.A. (*Bursar, Caius College, Cambridge*), Colonel E. Geoffrey H. Cox, C.B.E., Paymaster Captain J. C. Boardman, C.M.G., Mr. Alexander Wright, Mr. R. S. Fraser, Mr. Collin Brooks, Mr. George R. Collingridge, Mr. Sydney Young, Miss Vera Snelling, Mr. R. G. Clarry, M.P., Mr. Deputy C. D. King Farlow, M.A., Mr. Arthur F. Stallwood, Mr. F. C. Jennings Read (*City Surveyor*), Mr. J. W. Ramsbottom, M.A., Mr. W. Jenkyn Thomas, M.A. (*President, The Incorporated Association of Headmasters*), Mr. F. Wilkinson, M.A. (*Headmaster, Polytechnic School*), Mr. F. Gatus, Bowers, C.B. (*Comptroller, London County Council*), Mr. Arthur Stiebel (*Registrar, Bankruptcy Department*), Mr. Roland Burrows, K.C. (*Recorder of Cambridge*), Mr. A. F. Pool, C.B.E., Mr. E. G. Roscoe, Mr. J. B. Graham, Mr. S. W. Alexander, Mr. Lionel Gee, Mr. J. K. F. Cleave (*Registrar, Board of Referees*), Mr. G. J. Griffiths, Lieut.-Colonel W. J. Kent, J.P. (*President, North Staffordshire Chamber of Commerce*), The Rev. Prebendary J. H. Ellison, M.V.O. (*Chaplain to the Lord Mayor*), The Rev. H. N. Asman, M.A. (*Headmaster, Owen's School*), Mr. E. C. Martin, M.B.E., Mr. Lawrence F. Murphy, B.A., Mr. John Potter, M.P., The Mayor of Carlisle, Mr. J. A. Lacey (*President, The Institute of Cost and Works Accountants*), Mr. G. E. Watson (*President, London Association of Certified Accountants*), Mr. T. Herbert Hughes (*President, Corporation of Accountants*), Mr. Ronald Staples (*President, Institute of Taxation*), Dr. T. Quayle (*Secretary, Education Department, Office of the High Commissioner for India*).

The names of the Members of the Society and their personal guests who attended the Dinner are included in the list at the end of this report.

Congratulations from His Majesty The King.

The PRESIDENT said that that morning, as President of their Society, he submitted his humble duty to His Majesty the King, and ventured to offer to him on behalf of the Society of Incorporated Accountants and Auditors the good wishes of the members for the health and happiness of Their Majesties. He had just received a telegram from Windsor Castle which he would read:—

"To the President of the Society of Incorporated Accountants and Auditors.

"The King heartily thanks the Society of Incorporated Accountants and Auditors for their kind and loyal greetings to the Queen and himself, and congratulates them on the celebration of the fiftieth anniversary of the foundation of their Society."

(Applause.)

The toast of "The King" was then given and enthusiastically honoured.

The PRESIDENT next proposed the toast of "Her Majesty the Queen, His Royal Highness the Prince of Wales, and the other members of the Royal Family," which was duly honoured.

"The Lord Mayor and Corporation of London."

Mr. C. HEWETSON NELSON, J.P. (the Vice-President), said he had to propose for their acceptance the august toast of "The Lord Mayor and Corporation of London." This was the first occasion in his lifetime that he had been entrusted with that important toast, and he rather imagined it would also be the last. His only qualification, if it were a qualification, for proposing the toast was that he happened to be an ex-Mayor of a northern County Borough—a position of insignificance when compared with the remarkable glory which surrounded the Lord Mayor of the City of London. There was one feature in the constitution of the City which he admired very greatly; and he admired it because he happened also to be an ex-Alderman, and in the provinces they did not, unfortunately, appoint Aldermen as it were life-peers. (Laughter.) It was an added pleasure to propose that toast inasmuch as the Lord Mayor had for forty years been a member of the Society of Incorporated Accountants. And although he left the plain path of accountancy—ill remunerated accountancy—for the higher walks, and much more remunerative walks, of the Stock Exchange, he still maintained his interest in the Society, and was to-day the President of the Incorporated Accountants' Students' Society of London. (Applause.) Naturally, in thinking of a toast such as this, one's mind moved to the subject of citizenship, and he remembered that one whose voice was frequently heard within those historic walls said on one occasion: "It is written in legible characters with a pen of iron on the rock of human destiny that citizenship which ignores the things of the mind and of the spirit is an incomplete citizenship." In considering the City of London one could not accuse London of neglecting the things of the mind or of the spirit. In both those respects they had given a great lead to the country.

The City had given them great men like Dickens, Johnson and the immortal Samuel Pepys. What did they want further than the spires which surrounded the dark dome of St. Pauls? He was instructed, as a mere provincial, that the toast included the Court of Aldermen, Sir George Truscott, Sir Vansittart Bowater, M.P., Sir Louis Newton, Lord Ebbisham and Sir Maurice Jenks being among their guests; and also the Sheriffs, Alderman Twyford and Mr. Sheriff Pearse. They were living in extremely difficult times, especially in the north of England. One saw signs of recovery in London, which were very welcome, but in the north they were still suffering very badly indeed. The one city which, according to the records, did think was London, for were they not told daily in the columns of the London Press what London thought upon this subject or that subject? So when he found the economic writers telling them that the first thing to recover in their Recovery Plan was their confidence, he accepted that as true; and he thought it fell to the City of London to lead the country in the recovery of that confidence. They would remember that many years ago J. R. Green wrote of Pitt: "He believed in England until England began again to believe in herself." He trusted that the historian of the present would write of the City of London, "The City believed in England until England began again to believe in herself." (Applause.)

The LORD MAYOR, on rising to respond to the toast, was received with loud applause. He said he had heard an accountant described as "a person who could not give an account of himself." (Laughter.) He did not admit the accuracy of that description, in his case at all events, as although he might not be willing and perhaps might not be even capable of giving an account of everything he had done, he was going to tell them something about his connection with their Society. As the Vice-President had said, over forty years ago, when he (the Lord Mayor) desired to qualify for membership of one of the two existing bodies of accountants, he was introduced to a tall, slim, keen-looking young man named James Martin, who was the Secretary and one of the founders of the Society of Incorporated Accountants. (Applause.) That young man had since then developed into one of the great minds of the City, and he was proud to think that he was one of his firmest friends. Young Martin told him then that his previous experience would justify him in asking the Council to permit him to present himself for examination without having been articled, and in a year or two's time, having passed the examinations, he became an Associate, and afterwards a Fellow of their Society. (Applause.) After some years he gave up the somewhat prosaic practice of accountancy in favour of the more unromantic, might he say, if less remunerative position of a member of the Stock Exchange. Since which time his connection with accountancy had been of a more or less academic character. But he could not abandon his connection with a Society from which he derived so much advantage and so much pleasure, and he still found himself

after all these years not only a member of the Society, but, as they had been informed, President of their Students' Society. (Applause.) He willingly accepted that position five years ago, and they had been so kind to him that they refused to replace him with someone more intimately connected with the practical side of accountancy. Even on November 9th, when he was called to fill the great office which he now held, they added to his cup of happiness by making him an Honorary Member of the Society. (Applause.) During a long career in the City he had been fortunate enough to receive many compliments, but no honour did he prize in a greater degree than that of the Honorary Membership of the Society of Incorporated Accountants. And now he was replying in that ancient hall to that great old toast, "The Lord Mayor and Corporation." He need not say how deeply he valued the great honour to which he had been called. To be the Chief Magistrate of the chief City of what he called the chief nation of the world was a position which was almost appalling in all that it signified. His standing there, where hundreds of his predecessors had stood before in a similar capacity, gave rise to feelings which it was impossible to translate into words. But to that extent he might be permitted to think that he had indirectly brought some credit to the Society from which he had received so much kindness. (Hear, hear.) The work of the Lord Mayor was heavy. His friends were so kind that he had to accept a large number of invitations to dinner and lunch and other functions. He had to attend almost daily hospital meetings and other meetings of various kinds; he had to preside at the Courts of Aldermen and the Courts of Common Council; in addition he took a prominent part in the administration of justice in the City by attending twice every session at the Central Criminal Court at the Old Bailey, and sitting every day at the Mansion House Justice Room. Whilst the latter required more close attention than some of his other duties, it gave him the opportunity of observing many sides of human life and character—some serious, some humorous, and some pathetic. He sometimes had to attend meetings on art subjects in the delightful Art Galleries which they had just left, and he remembered at one of those exhibitions an excellent picture which afterwards found its way into an art dealer's shop window. It was a faithful representation of the beginning of a storm at sea. One could realise that the rain was almost bursting from the clouds and that the waves were being lashed into a fury. That picture was labelled as "Suitable for a wedding present." (Laughter.) But he must not detain them. He would only add that the Corporation was untiring in its devotion to duty, magnificent in its hospitality, and impartial in its administration of justice. The decisions of its Aldermen were rarely criticised, and still more rarely disturbed. The Corporation, in its history of hundreds of years, never stood higher than it did to-day, and he counted himself fortunate in having the opportunity to reply to the toast, both on behalf of the Corporation and on his own behalf. (Applause.)

"The Society of Incorporated Accountants."

The Right Hon. Sir BOYD MERRIMAN (President, Probate, Divorce and Admiralty Division) proposed the next toast: "The Society of Incorporated Accountants." He said that speakers sometimes began a toast of that sort by inquiring what were their qualifications for proposing it. He did not propose to waste any time on that subject, but to state deliberately, unequivocally and without any fear of contradiction that he was the most unsuitable person in the Guildhall at that moment to propose the toast. Throughout life he had had what Charles Lamb called "an imperfect sympathy with anything connected with figures." (Laughter.) He discovered that very early in his school days. Whenever there was the slightest chance of his getting a prize for classical erudition, a barbarous system of concoction of marks, not even mitigated by what he believed in technical circles was called "weighted averages," invariably sent him down at least five places. (Laughter.) He had had a permanent grievance against figures ever since, and at that moment he was in perfect sympathy with the charming lady in Sir James Barrie's play, "Quality Street," who, when late in life she was compelled to undertake the teaching of mathematics for a livelihood, confessed that she had never been able to solve the problem about the herring and a half and 1½d. without seeing real herrings upon the table. (Laughter.) And he admitted, in spite of the fact that it put him out of court for the purpose of that toast, that he had never, to this day, been certain which was the assets side of a balance sheet. (Renewed laughter.) Now the Society whose health and continued prosperity he was proposing had, in the course of fifty years, he was told, enrolled no less than 6,400 members. Every year they turned out 300 persons who not merely could construct a balance sheet, but could do so in such a way as to leave him in complete ignorance as to which was the assets side. (Laughter.) So he proposed the health of the Society for three very excellent reasons. First, because they had, for fifty years, undoubtedly performed a public service with distinction; they had what were amongst the most beautiful modern premises in London; and, apart from such loyalty as was employed in the exchange of messages with Windsor Castle, they had indulged in the sincerest form of flattery in that, in this Jubilee Year, they were celebrating a Jubilee of their own. But for the moment he was addressing the Lord Mayor, and if he might adopt a phrase which was used by a Chancery Judge about companies, the Society of Incorporated Accountants, just as it had no portion of its anatomy which could be belaboured, so it had no ears to hear the praise which was bestowed upon it; therefore he was instructed to couple with this toast the name of the President of the Society, Sir James Martin, who represented the Society in the flesh. He first had the pleasure of meeting Sir James Martin much later than the Lord Mayor did. He met him in the year 1926, when they served together on a Committee with regard to the reform of the Law of Arbitration. And just let him say this in passing:

they made a very excellent report between them. (Laughter and applause.) Every year, as a private Member of Parliament, after that, he balloted for a place for that Bill. Every year when he happened to hold a Law Office he tried to persuade the authorities to pass that Bill. But he was glad to say that through no efforts of his own, as it happened, although eight years after that time, the Bill which they suggested had, in fact, been passed into law. There was a time, however, he must admit, when he rather resented Sir James's interest in Arbitration. Those of them whose livelihood depended on the resort of a certain number of litigants to the Law Courts were apt to view with suspicion an emissary whom Sir James used to send to walk up and down outside the Law Courts with a placard on his back, saying, "Do not litigate; arbitrate." However, he took a more detached interest in those things now, and he was entitled to indulge in this reflection, that there was one very large part of his duties, at any rate, which could not be submitted to arbitration. (Laughter.) Now what about this man who, having been Secretary of the Society for many years and, having already been its President once, had been called back, if he might use a topical metaphor, to stroke the boat in this Jubilee Year? Well, the man who represented the Society—and he saw that the motto of the Society was "*Fides Atque Integritas*," which, being translated, was, "Trustworthiness and Uprightness"—their President was a very good representation of that motto. (Applause.) He therefore gave them the toast of the Society, coupled with the name of Sir James Martin.

The PRESIDENT, on rising to reply, was received with loud and prolonged applause. His first duty, he said, as well as his great pleasure, was to thank Sir Boyd Merriman for the kind manner in which he had proposed the toast of the Society of Incorporated Accountants and Auditors, and for his most indulgent and generous references in regard to himself, which he deeply appreciated. Sir Boyd had referred to those days, some years ago, when Sir Boyd, before he was a Judge or Solicitor-General, sat upon the Arbitration Committee under the Chairmanship of one of their most genial Judges, Mr. Justice Mackinnon, and endeavoured to bring about some reform for the simplification of the Law of Arbitration. It was perfectly true that Sir Boyd perhaps met with an unsympathetic Cabinet, who did not see much fun in wasting time over arbitration. But he must, in justice to one who was in that hall—he referred to Lord Askwith—say that when most of them had forgotten all about their efforts to amend the law, he (Lord Askwith) introduced a Bill, and passed it through the House of Lords in two or three sittings, and it subsequently went through the House of Commons, he was going to say, in the twinkling of an eye—and that was because he did not believe any of the members of the House of Commons understood anything about it. (Laughter.) So much for the subject of Arbitration. But he wanted to deal quite shortly with the toast of the Society of Incorporated Accountants and Auditors, as he occupied the chair that night

at the unanimous request of his colleagues on the Council, and for the second time in his career, after having had the privilege of filling the office of Secretary for the long period of 33 years. It was perhaps a somewhat melancholy reflection for him to stand there, but he was not going to make it a melancholy reflection, either for those present or for himself, that he was the sole survivor in London of those members of the original Council who brought the Society into being fifty years ago. (Applause.) Of that early Council of the year 1885 there were only three actually surviving. The other two resided in Manchester and Southampton, and he regretted to say their state of health did not permit them to be present that evening, but he had taken the opportunity of conveying to them on behalf of the members of the Society greetings and good wishes. (Hear, hear.) That was not a suitable occasion for him to review the history of the profession in this country. Much had been said and written about it, especially in the volume entitled "The History of Accounting and Accountants," which was published in connection with the Jubilee of the Society of Accountants in Edinburgh, and to which he was privileged to be a contributor. The profession of accountant in Great Britain and Ireland and in the British Dominions had not yet become consolidated, but he was happy to say that early contentions and strifes had been replaced by mutual regard and forbearance, with the result that as they proceeded with their second half-century of professional history, they did so in a spirit of emulation and understanding. The advantage to the profession was great, but the gain to the public was still greater. The Society of Incorporated Accountants had established itself as part, and not by any means a negligible part, of a greater organisation, which had for its object the maintenance of the confidence of the public in systematic and correct accounts. In that connection he must, in duty bound, pay his tribute to the great value of the work of the Institute of Chartered Accountants in England and Wales which was represented at that dinner by Mr. Arthur E. Cutforth, the President, together with some of his well known colleagues. The period of fifty years through which they had passed had been a testing time for the citizens of this Empire, both in connection with the Great War and through the stormy, so-called years of peace which had succeeded it. The professional accountant had endeavoured to serve his country, either in the auxiliary forces which formed part of the Navy and the Army, or in the more prosaic yet intricate work conducted by the Civil Service, of which they were so justly proud. He believed that an impartial writer, in reviewing the position, would find that no true accountant throughout the last quarter of a century had withheld from the State any services which he was competent to render; and if he were asked which was his greatest moment of pride in the profession he would say that it was in the War when the Cabinet decided that the profession of accountant was of national importance. (Applause.) In responding to the toast he must not forget to pay a tribute to the International Congress on Accounting, the

fourth meeting of which was held in London in the year 1933, at which 49 Societies appointed delegates to the Congress, representing 22 countries. That Congress was genially and ably presided over by Lord Plender, the sponsoring bodies being eight Societies of Accountants in Great Britain and Ireland. He felt certain that the work of the International Congress of Accountants, the first session of which was held in St. Louis in the United States of America in the year 1904, was of immense advantage to the business community throughout the world. (Hear, hear.) In regard to the Society of Incorporated Accountants, Sir Boyd Merriman had, he was going to say, endeavoured to supply certain facts and figures which spoke for themselves, and he used the word "endeavoured" because Sir Boyd said he could not understand anything about figures or what the assets side of a balance sheet represented. (Laughter.) Well, those facts and figures made it unnecessary for him (the President) to dwell in detail upon the work of the Society which he had the honour to represent. He might, however, be forgiven on that occasion if he made a personal reference to his friend Mr. Garrett, who succeeded him in the Secretaryship of the Society in the early part of the year 1919, upon his return home from the Navy at the end of the War. He was not going to discuss the whole of Mr. Garrett's work for that Society, but he excelled in that part of his duties which was most valuable to a professional organisation such as theirs. He referred to Mr. Garrett's work in connection with their students and young members, and nothing, to his mind, could be of greater importance than the inculcation of a sound outlook in regard to professional life and professional ethics. In their cultured and able Secretary they had the ideal man for that particular work, and he (the President) was of opinion that, esteemed as Mr. Garrett was throughout the Society, the younger members and students had a special regard for his worth. (Applause.) Before he resumed his seat he would like to express his cordial acknowledgments to those gentlemen who had come there to join them that evening from overseas. He was sorry that there were not more of them, and perhaps he was glad of the reason, namely, that they were delaying their arrival until the Silver Jubilee of His Majesty the King. One more acknowledgment he wished to make, and that was to the Corporation of London for allowing them the use of that ancient and lovely Guildhall. (Applause.) Some of those present might have heard him speak before in the Guildhall, for it was there that he commenced his career, being enrolled when he came of age as a citizen of London, and it was no small consolation to him to know that in the Guildhall he was ending it. (Loud Applause.)

"Trade and Industry."

Sir JOSIAH STAMP, G.C.B., G.B.E., F.S.A.A., proposing the next toast, "Trade and Industry," said the proposal of the toast "Trade and Industry" was not infrequently a mere gesture of goodwill, sincere, sympathetic, but entirely detached; but on that occasion it was much more intimate. When the

young, impecunious nephew inquired after the health of a wealthy uncle, there was a degree of personal interest. (Laughter.) They, to-night, were not looking for the same kind of answer, but they had exactly the same solicitude, because no trade and industry, no accountants; more trade and industry, more accountants, more fees, bigger fees, and the quicker they were paid. (Laughter.) So they might be said to have a vital personal interest in the health of trade and industry. Accountants were accused from time to time, like the banks, of being able, somehow or other, to come out of things, whether good or bad, on the right side. It was true that the various events of trade and industry did all bring grist to their mill, whether it was promotions and prospectuses, or amalgamations and mergers, or liquidations and bankruptcies, whether it was births, deaths or marriages, they seemed to come in very well. It did not seem to matter very much which way the political wheel was turned, whether it was towards individualism on the one hand, or towards planning on the other, whether there was a great weight of new taxation put on or a number of special reliefs taken off—they all brought special duties to their profession. All that accountants asked was that life should be more complicated and very changeable. (Laughter.) Now he was not going to embark that night upon a diagnosis of industry and trade as it stood to-day. He would be a bold man who would say that he could see that it was making commanding and strenuous and continuous steps forward. Its steps were shifting and dubious, here a little and there a little, line upon line, gaining at one moment and losing at another. It was very difficult indeed to assess on the whole the industrial progress of the country. They tried to overcome that by not talking about losses and gains at small points, but talking of great totals. They looked at trade in the totals, in the unemployment figures and the figures of foreign trade, and the like. But even these did not tell all the story, because a small gain in the total might mean the great prosperity of one or two industries, accompanied by setbacks in others, or it might mean a gentle and steady progress on a wide front. So when they looked to national statistics for evidence of trade and industry they were obliged to qualify that by progress in particular places. One was reminded of the lady who went to her butcher and asked him to cut off 25 lbs. of beef. The butcher looked a little astonished, but he did so, and he asked, "Where shall I send it, madam?" She replied, "I don't want to buy it," and she added, "I have just been to the doctor, and he told me I have lost 25 lbs., and I wanted to see what it looks like in the lump." (Laughter.) This problem of assessing the actual health of trade and industry was much too intricate a problem for him to enlarge upon that night. There was, however, coming over the scene a considerable change. They were looking to a great number of new factors. They were looking to all kinds of new deals—tariffs, quotas and marketing boards—and they were hoping for the best. They went back to those who started those things, and thought of all the promises they held out. They

did not know whether they were optimists or pessimists. The optimist looked at his glass and said, "It is half full," while the pessimist looked at it and said, "It is half empty." (Laughter.) They went back a little, and they read over what was expected from those various devices. It was rather like a man who bought a car and had some trouble with it, so he sought out the vendor. "You sold me a car a few weeks ago," he said. "Yes," was the reply, "and how are you getting on with it?" "I want you to tell me," the man said, "everything you said about that car, all over again. I am getting a bit discouraged." (Laughter.) So they went back over those programmes, and they hoped that even yet some of the minor features of them might be fulfilled. Whatever doubts they might have about the actual progress of trade and industry at present, there could be no doubt whatever about the position of it at the time when the Society of Incorporated Accountants was born. Now it might be good in parts, but fifty years ago, at the birth of the Society, the position was one of unrelieved gloom; there was the heaviest unemployment that had been known for forty years. Only those who had lived long, and could look back could realise the difference there was between those days and the present day in real destitution and poverty. At the present moment there was a Royal Commission on the housing of the working classes. If they looked at the language and sentences used in the far-off days they might have been used yesterday or to-day. In 1885 there was a Royal Commission on depression in trade, and another one immediately succeeding it on currency. Men's minds were filled with the teaching of Karl Marx and Henry George. The evils were due to appreciation of gold values, but the average man did not know it until many years later. He thought of every other possible reason instead. In 1885 Alfred Marshall said: "Many of the social reformers of to-day, in their desire to improve distribution, are reckless as to the effects of their schemes on the production of wealth." Engels said: "The time is rapidly approaching when a thorough examination of England's economic position will impose itself as an irresistible national necessity. The working of the industrial system of this country is coming to a dead stop. Each succeeding winter brings up afresh the question, 'What to do with the unemployed.'" So altogether, Rip Van Winkle, coming to life to-day, would not have felt so out of it as they might suppose. It only showed that the more things changed the more they were the same. Trade and industry to-day were embarking on a new phase of regulation and government, and planning looked like being the accountant's paradise, for very soon, if the ordinary mechanism of competitive price tests were absent through the operations of the complete planner, the accountant would be called upon to compute notionally what that price would have been if competition had been present. They would see, therefore, that in fifty years from now, accountancy might develop from being an artistic arrangement of exact facts, with a dash of scientific guesswork, to a branch of the theory of Relativity. It might no longer be

primarily dependent upon production, but focussed on sharing out, spending more and more time in dividing up less and less. The subject of the present toast was an illimitable one. He was reminded of the clergyman who said he did not mind members of the congregation taking out their watches, but he did think it was a bit too bad when they put them to their ears to see if they had stopped ticking. (Laughter.) He could not resume his seat without associating with the toast the name of Sir Stephen Demetriadi, who, in addition to the very distinguished position he held by virtue of which he was replying to the toast, had also a very high and distinguished record of his own achievements in many branches of public service. There could be no better representative of trade and industry than Sir Stephen, and in asking them to drink the toast of "Trade and Industry," he would couple with it the name of Sir Stephen Demetriadi. (Applause.)

SIR STEPHEN DEMETRIADI (President of the London Chamber of Commerce), replying to the toast, said he would like in the first place to express to Sir Josiah Stamp his best thanks for the very kind remarks he had made. When he (the speaker) was asked to respond to the toast of "Trade and Industry" he was informed that he ought to be very brief, and in that respect he would not disappoint them. The position of trade and industry at the present time, both nationally and internationally, reminded him of an old nursery rhyme:—

"The Centipede was happy quite
Until the Toad in fun
Asked him which leg went after which;
Which worked his mind to such a pitch,
He lay distracted in a ditch,
Considering how to run."

(Laughter.) They had succeeded in making what was originally, and what should still be, a simple business into something so involved and complex that trade and industry, like the centipede, were lying down and passing quietly away. International trade last year was only one-third of what it was in the year 1929. In simpler and, he suggested, in saner days nobody had the least doubt as to what constituted wealth. Wealth consisted of the things human beings wanted—food, clothes, houses, horses and beautiful works of art. And the more of those things a man possessed, the richer he was reckoned to be. It was quite clearly understood that the reason why a man produced things was so that his friends, his relations and his retainers might consume them; and those simple souls would have been amazed to hear from more subtle moderns that what they should have done to become truly wealthy was to have restricted their production and burned or otherwise destroyed part of it—that in that way, by making it scarcer, they would make it also more valuable. Even the great merchant adventurers who set off on perilous voyages laden with hatchets, with beads and with gin, and returned with ivory, spices and silks, would have been somewhat surprised to learn that according to modern notions they would have done far greater service to the community had they

been instrumental in exporting those goods while successfully evading the obligation of importing anything at all in exchange for them. (Laughter.) International trade, instead of becoming an exchange of goods and services between nations to their mutual advantage, had become a desperate struggle by one to under-sell the other. Those early ancestors of ours would, he was sure, be amazed to hear that great masses of people were in destitution, not because there was not enough to go round, but because there was too much, and that in consequence their labour was not needed to produce more. It sometimes seemed to him that the present mess in which the world found itself was so essentially devoid of reason that perhaps the answer which had been hidden from the wise and prudent might yet be revealed to babes and sucklings; in other words, he thought it was not impossible that the centipede might yet decide to forget all about the toad, and might just get up and walk quietly away. (Laughter and applause.)

"The Guests."

Mr. E. CASSLETON ELLIOTT (Past President), in proposing "The Guests," said that no one in that hall could fail to agree that it was the most important toast of the evening; for how could they be holding a banquet that night without their guests? The Society was grateful to them for coming. They had enjoyed their company, and they hoped the guests had enjoyed their hospitality. They had many distinguished guests among them that evening. He did not propose to go through the list, for were they not fully described in the miniature edition of "Who's Who" issued with the plan of the tables? In the course of their professional work, accountants came into contact with many members of other professions and with many organisations, a large number of whom were represented there that night—Parliament, the Church, the Bench and the Bar. If he might say so, they were particularly grateful to the Bench, and to the representative of the Bench who had given them such a delightful speech in proposing the toast of "The Society of Incorporated Accountants." They had also with them representatives of the Armed Forces and Civil Service, and, in connection with the Civil Service, the Board of Inland Revenue, with which they were individually associated in the course of their practice. He was privileged to associate with the toast a man who was a Londoner, who left London for a short time and returned to the City on his appointment as Dean of St. Paul's. They were delighted that he had returned. He was a stranger to their Society, but if he might be allowed to quote from one of the Epistles, "Be not forgetful to entertain strangers; for thereby some have entertained angels unawares." He thought that when they heard the Rev. Dr. Matthews reply to the toast they would appreciate that he was an "angel unawares," because he was a most delightful after-dinner speaker. (Applause.)

THE VERY REV. W. R. MATTHEWS, D.D. (Dean of St. Paul's), replying to the toast asked—was ever anyone put in a more embarrassing situation than he

was at that moment? The proposer of the toast had gone so far as to describe him as an angel. He did not know what their conception of an angel might be, but he could not conceive any idea of an angel which would not be at once violently outraged by a comparison with himself. (Laughter.) Having removed from their minds any idea that he claimed to be an angel, he would pass on to his next grievance, which was that he had been asked to reply to this toast at all. Surely amongst the distinguished crowd that constituted their delighted guests that evening there were numerous lawyers, and he had always understood that it was the office of a lawyer to represent the most incongruous people. Was there no lawyer to whom that office could have been assigned? Then he remembered that lawyers always had briefs provided for them, and he believed there was usually a certain figure marked upon the brief. (Laughter.) His experience of accountancy was not a wide one, and he could not claim that it gave him any title to speak with authority upon the subject, but it was a fact that for some years he was a junior clerk in a Bank not very far from where they were then assembled, and in those days he used to be engaged upon an operation which was called "the balance." (Laughter.) He never quite knew what that meant, but he remembered labouring for many hours, seeking to find a difference of one shilling, and his offer to contribute a shilling was, strangely enough, not received with enthusiasm. (Renewed laughter.) The reason why he was speaking dawned upon him only during the speech of the President of the Chamber of Commerce, who said that the present problems which confronted industry would be solved by babes and sucklings. No doubt he (Dr. Matthews) was the babe and suckling. (Laughter.) He knew exactly how he would set about solving the problems to which the President of the Chamber of Commerce had referred, but he was not going to tell them about it on that occasion. He did want on behalf of the guests—and here he supposed no practice in advocacy was required—to tender to the Society their most sincere thanks for a very delightful and interesting evening. (Applause.) Quite apart from the good things with which the table had groaned—to which, he confessed, he was not entirely indifferent—he had been extraordinarily interested in seeing so many accountants all together. He had never conceived that there were so many in the world. He had been interested also to observe that there were no ladies present. (A Voice: "Yes, there are.") Well, he was wrong, but for one moment he had conceived the possibility that there was one learned and not un lucrative profession into which women had not penetrated, but, alas, he was mistaken. (Laughter.) He regarded accountants with the greatest respect, because it seemed to him that they, probably alone among the professions, were destined to live for ever; at least they alone seemed to have no one prophesying their immediate extinction. The armed forces of the Crown—well, there were some who wanted to see them extinguished. The legal profession—he had heard people say that they could manage very well without lawyers. They knew that there were many

people who considered that doctors would eventually be dispensed with, and he had even found some who considered that parsons had had their day. (Laughter.) But the accountancy profession seemed to be immortal, for in no conceivable state of Society would the services of accountants be dispensed with. More and more as civilisation advanced, everything would depend upon certain figures written in certain books. In olden times, wealth consisted in things like the possession of cows and sheep, but now one's wealth was represented by figures which one did not understand, written in ledgers which one never saw. (Laughter.) However, he and his fellow guests had enjoyed the privilege of dining with the Society that evening, and he knew he was expressing the sentiments of all present when he said that they wished the Society continued prosperity. (Applause.)

“The Chairman.”

COL. SIR GEORGE COURTHOPE, Bt., M.P., said it was his great privilege and pleasure to submit an item which did not appear on the toast list—the personal toast of “The Chairman.” They had already heard of him that evening as being founder and Secretary and President of that great Society whose hospitality they had been enjoying but Sir James Martin was known to them in many capacities. He was a master in his profession, a wise leader of the Chamber of Commerce, an arbitrator of sound judgment and balanced mind, and the firm but kindly Chairman of great business concerns. (Applause.) A man who possessed in no common measure those four senses which played so great a part in human affairs—common sense, the sense of justice, the sense of proportion, and the sense of humour. They knew him as a loyal colleague, a delightful companion, and the best of friends. So let them drink the health of the Chairman, Sir James Martin. (Loud applause.)

THE PRESIDENT, in reply, said he thought he had uttered his last word in the Guildhall. He was unaware of a little conspiracy which had been going on to induce his friend, Sir George Courthope, to submit the toast of “The Chairman.” He earnestly thanked Sir George for all the kind things he had said, and he thanked those present once again for their great kindness and sympathy and support. (Loud applause.)

Theatre Parties for Ladies.

During the progress of the Dinner theatre parties were arranged in order to entertain a number of the ladies who were visiting London.

ADDRESS OF WELCOME.

There was a large gathering of members of the Society and visitors in Incorporated Accountants' Hall, Victoria Embankment, W.C., on Thursday morning, April 4th.

The chair was occupied by Sir JAMES MARTIN, the President of the Society, who was supported by Mr. C. Hewetson Nelson, J.P., Vice-President, and the members of the Fiftieth Anniversary Committee, viz: Sir Thomas Keens, D.L., Mr. Henry Morgan,

Mr. E. Cassleton Elliott, Mr. R. Wilson Bartlett, J.P., Mr. Walter Holman and Mr. Richard A. Witty.

The President, in opening the proceedings, said it was his great privilege to welcome them all there that morning, and he hoped that most of them had been at the Guildhall on the previous evening. He was told by a large number of visitors that everything went off very successfully there. (Hear, hear.)

It was now his pleasure and duty to offer a most cordial welcome to the whole of their own members and the ladies accompanying them. On account of the size of the hall they had not asked visitors from outside to come there, because they had an opportunity of seeing them all at the Guildhall on the previous evening. However, they thought that this was a very good chance for those of their own members and friends who had not seen their hall to pay it a visit. Of course, their London members had some advantage over those from more distant parts of the country, as they could come there whenever they liked, and a great number of them did make frequent use of the facilities the hall afforded. He was not going to make anything in the nature of a long speech, because sitting beside him was—he did not want to pay any fulsome compliments—their very capable Vice-President, Mr. Hewetson Nelson. (Applause.) He was very anxious that Mr. Hewetson Nelson should address the meeting, and, as there was no time for both of them to do it, he was giving place to Mr. Nelson. But first of all he would ask Mr. Garrett to read a number of letters and telegrams they had received from all parts of the Empire. (Applause.)

Messages of Congratulation.

The SECRETARY then read messages of greeting and congratulation which had been sent to the Society.

1. *The Institute of Chartered Accountants in England and Wales :*

Dear Sir James Martin,

We have been requested by the Council to convey to you and to the members of your Society their most sincere congratulation on the attainment of its 50th anniversary. They wish to place on record their appreciation of the part which your Society has played in the development of the Accountancy Profession and, in recalling the cordial relationship which has always existed between our two bodies, to tender to your Society their good wishes for its continued prosperity.

Yours faithfully,

ARTHUR E. CUTFORTH,

President.

ROGER N. CARTER,

Vice-President.

2. *The Joint Committee of Councils of the Chartered Accountants of Scotland :*

At a meeting of the Joint Committee of Councils of Chartered Accountants of Scotland, the Chairman made reference to the celebrations in connection with the jubilee of the Society,

and it was decided to send congratulations to the Society on this auspicious event.

3. *The Institute of Chartered Accountants in Ireland :*

On behalf of the Irish Institute, I beg to offer hearty congratulations to your Society and its illustrious President.

THOMAS GEOGHEGAN.

4. *The Corporation of Accountants, Glasgow :*

Dear Sir James Martin,

At a meeting of the Council of the Corporation of Accountants I was instructed to convey to you, as President of the Society of Incorporated Accountants and Auditors, my Council's cordial congratulations on the Society reaching its jubilee year. It must be a great source of gratification to you, as one of the founding members, to look back over 50 years of excellent service to the profession and to the commercial community. May the Society progress from strength to strength, and may the jubilee celebrations be an inspiration for future activities.

Yours faithfully,

J. STIRLING BROWN,

Secretary.

5. *Overseas Organisations of Incorporated Accountants :*

South African Western Branch, Cape Town.

South African Northern Branch, Johannesburg.

South African Eastern Branch, Durban.

Victorian Division (Representing Members resident in Victoria, Tasmania, South Australia, Western Australia, and Queensland).

New South Wales, Sydney.

Canada, Montreal.

Bombay, India.

Hong Kong.

Buenos Aires.

6. *Overseas Bodies of Accountants :*

Transvaal Society of Accountants.

Natal Society of Accountants.

The Cape Society of Accountants and Auditors.

The Rhodesia Society of Accountants.

The Dominion Association of Chartered Accountants.

Society of Chartered Accountants of the Province of Quebec.

Institute of Chartered Accountants of Ontario.

Institute of Chartered Accountants of Manitoba.

Institute of Chartered Accountants of Saskatchewan.

Institute of Chartered Accountants of British Columbia.

The Association of Accountants and Auditors in Ontario.

The American Institute of Accountants.

New York State Society of Certified Public Accountants.

The Swedish Association of Authorised Public Accountants and Auditors.

Norges Statsautoriserede Revisorer Forening.

7. *Other Greetings :*

Mr. F. Walmsley, Manchester.
 Mr. A. E. Piggott, Manchester.
 Mr. E. Van Dien, Amsterdam.
 Mr. Alexander Aiken, LL.D., Johannesburg.
 Mr. Cyril Gibson, Cape Town.
 Mr. D. Mackeurtan and Mr. W. R. Fraser,
 Durban.
 Mr. A. E. Hurley, Durban.
 Mr. John Hyde, Montreal.
 Dr. John W. Ross, Montreal.
 Lieut.-Colonel H. D. Lockhart Gordon, Toronto.
 Mr. John Parton, Winnipeg.
 Mr. Arthur Baillieu, Melbourne.
 Mr. C. V. Robertson, Melbourne.
 Sir Shapurji Billimoria, Bombay.
 Col. Robert H. Montgomery, New York.
 Mr. Frederick Hurdman, New York.
 Mr. Andrew Stewart, New York.
 Mr. M. E. Peloubet, New York.
 Mr. A. S. Fedde, New York.
 Mr. Wilhelm Voss, Berlin.
 Mr. Helge Andersen, Copenhagen.
 The Incorporated Society of Auctioneers.

The Vice-President's Address.

Mr. C. HEWETSON NELSON, J.P. (Vice-President), said: We meet to-day in an atmosphere of celebration and in a spirit of confidence. We have good reason to feel great pride in the position which the Society occupies in the fiftieth year of its history. It is my good fortune to have watched the progress of the Society as a member for nearly four-fifths of its history, and to have had the opportunity of serving as a District Society Secretary, as a member of the Council, and in other offices with which my colleagues have been so good as to honour me. Reflection upon that past leads me to the invincible conviction that the position of the Society has been established by the outstanding capacity for leadership on the part of those who have directed the Society's affairs and by the contribution which all members in their several ways have made to the Society.

Among the purposes of our celebration is the desire to renew that confidence and to stimulate, if such stimulation were needed, the spirit of service among the younger men upon whom the responsibility for the Society for the future must fall.

We are singularly fortunate in having been able to invite as the Jubilee President our good friend Sir James Martin—(hear, hear)—who has guided the destinies of the Society from its inception fifty years ago, and who during his tenure of the Secretaryship gave the Society of his vigour, his wisdom and his great abilities. To-day most happily he is supported in these celebrations by Lady Martin, whom we are delighted to see here. (Applause.)

I would pay my tribute to those sixteen men who held Presidential office successively since 1886, several of whom I regret are no longer with us. Their names are recorded on the Presidents' panel in the staircase hall. The President and myself rejoice at the presence of three Past Presidents, and it is a matter of regret that Mr. Frederic Walmsley, the senior Past

President, is not able to be with us. I recall the permanent contribution which each of the Presidents made to the policy or the organisation of the Society, or to the amenities which the Society enjoys.

During the earlier growth of the accountancy profession, the burden of the Society's work was in the Courts or in Parliament, where it established the reputation and significance of the title "Incorporated Accountant." But its established position to-day enables its vital energy to be utilised in developing the great opportunities to our hands—in regard to professional education, in the study of commercial and financial questions, in creating a special body of knowledge, built up from professional experience. In regard to these activities, I can say that the senior members of the Society have the greatest confidence in the enterprise and energy of the younger men who have been called to office, either on the Council or in regard to the work of the Branches and District Societies.

I have selected a few events in the history of the Society which it seems to me it is appropriate to recall. As a Liverpool man, the honoured name of Lord Derby comes to my mind in connection with a Conference of Incorporated Accountants held in Liverpool in 1903. Those of you who are from Lancashire know that there is no name that we honour in the County Palatine more than that of Lord Derby. And it is suitable that we should remember this to-day, because it is his 70th birthday. At that time (1903) Lord Stanley, as Lord Derby then was, held the office of Postmaster-General in the first Balfour Administration. Although Lord Stanley's presence was urgently demanded in London, he determined at all costs to keep his engagement with us, and travelled to and from London for the sole purpose of spending twenty minutes in Liverpool to deliver his speech at our dinner.

We honour the names of those Incorporated Accountants, many of whom were men of great promise, who gave their lives in the war, and whose imperishable memory is recorded on the memorial stone unveiled at the opening of this hall. During the war the Society co-operated with all departments of His Majesty's Government and with the British Red Cross Society, which forwarded its thanks to the Society of Incorporated Accountants and conferred life membership upon a number of members who were Honorary Auditors of hospitals.

I refer with particular pleasure to the appointment of Alexander Adnett Garrett to the Secretaryship in the year 1919. (Applause.) It was a tremendous task to find a man who would carry on the traditions of the Society as successor to our present President. Looking back over the sixteen years since Mr. Garrett's appointment, I feel that we can honestly congratulate ourselves upon the choice we then made. Apart from the conscientious and alert service which Mr. Garrett has consistently given the Society, it speaks eloquently for him that while he abated nothing in his zeal for the Society, he secured at the same time an Honours degree at Cambridge, and also received honourable acknowledgment of the value of his

fifteen years' war and peace-time services in the Navy. (Hear, hear.)

The Society rightly apprehended that post-war conditions demanded a new outlook. First, power was voluntarily taken in 1918 to admit women to membership: this has been amply justified. May I venture, without immodesty, to say that I had the honour of taking the first lady articled clerk in the country? A little later the challenging paper of Sir Josiah Stamp at a Conference in Liverpool in 1921 on the Relation of Economics to Accountancy had a permanent influence on thought in the accountancy profession.

As an outstanding expression of accomplishment by the whole Society, I think nothing has exceeded the acquisition of this Hall. (Hear, hear.) The confidence of the Council in the members was magnificently demonstrated in the response by them on the issue of £70,000 debentures, which was largely over-subscribed. That effort was made complete by the gracious presence of H.R.H. The Duke of York, who formally opened the Hall in 1929. Incidentally, that debenture issue has now been substantially redeemed, but not to the entire satisfaction of the debenture-holders—(Laughter)—who were reluctant to part with such an investment.

Coming to more recent times, the Conferences held from time to time in different parts of the country have been noteworthy for the organising capacity of the District Societies. The last was held in Sheffield, when that popular member of the Council, Mr. Percy Toothill, made a new reputation for himself. (Hear, hear.)

Anticipating the event we now celebrate, the Liverpool members in 1932 had the pleasure of welcoming Sir James and Lady Martin, when Sir James gave a memorable address on Fifty Years' Progress.

This would be incomplete without a reference to a number of ladies who have contributed so charmingly to our proceedings during more recent years, and who have shared the responsibilities of office in the Society—Lady Martin, Mrs. Pitt, Lady Keens, Mrs. Morgan, Mrs. Cassleton Elliott and Mrs. Garrett.

I would like to remind you of the special work associated with the Past Presidents who are here to-day. Sir Thomas Keens was President at the time of the opening of the Hall by H.R.H. The Duke of York, the project in regard to which was inspired by the unflagging zeal of our lamented friend, Mr. George Stanhope Pitt. Sir Thomas also devoted himself to the Branch and District organisations. Upon Mr. Henry Morgan there fell during his Presidency a great responsibility, and his sustained interest in the question of Company Law reform is known to you and to a large circle outside the accountancy profession. (Hear, hear.) Mr. Cassleton Elliott brought to his office energy and determination, particularly in regard to the educational work of the Society, which found expression in the successful Course at Cambridge last year, over which he presided. Most generously he and Mr. Wilson Bartlett, the last Vice-President, relinquished office in anticipation of these Jubilee celebrations, and I would like to thank them

for the interest they have displayed in making the arrangements for the celebrations, and to Mr. Cassleton Elliott for his services as Chairman of the Fiftieth Anniversary Committee. (Applause.)

That Committee felt that the members would desire to have an opportunity to meet in their own home, and this meeting has accordingly been arranged for that purpose, and to enable us to receive our friends from abroad. I should like to express the gratitude of the Council to the Committees of Incorporated Accountants in the British Dominions for their sustained interest in the affairs of the Society and for their continued correspondence with head office.

Before the President calls upon our visitors, I must refer to the development of accountancy as a profession during the fifty years of the Society's history. It was not the first body founded in England, but it is fair to say that the Society has developed entirely independently its own organisation, and at the same time has co-operated in a spirit of mutual regard with the bodies of Chartered Accountants where such co-operation has been practicable and desirable.

The beginnings of the profession were prompted by a desire to provide a class of reliable and skilled people to carry out duties mainly in connection with insolvency matters. The prosperity of the 'nineties, the expansion of overseas trade, commerce and finance, and the quickening of municipal life in our own country called for a professional service for the audit of accounts and for dealing with questions of business organisation and finance. Parliament increased these responsibilities by legislation which provided for the appointment of auditors to public and private companies, building societies, industrial and provident societies controlling hundreds of millions of capital. Thus Incorporated Accountants, by their share in the work of the accountancy profession, have contributed substantially to the welfare of all classes in this country, whether in relation to investors in large scale enterprise, in smaller business, or in such commendable organisations as Friendly Societies and Building Societies. Whether compelled by the necessities of legislation or otherwise, those engaged in business and industrial affairs resort to the services of the accountancy profession as a necessary part of business. The technique of the profession is widely recognised, and reliance is placed upon the training and the integrity of those who practise the profession. The fiscal history of this decade is largely found in the burden of income tax and sur tax sustained by British subjects under a system which is essentially fair, but necessarily involved. Income tax and sur-tax, which now represent 40 per cent. of the Chancellor of the Exchequer's revenue, have necessitated a continuous adjustment between the taxpayer and the State, an adjustment which has been made for taxpayers in large measure through the services of Incorporated Accountants.

This is not the time to refer to past matters of a controversial character, although we may be mindful of what may seem opportunities lost and ideals not realised. On the other side, we must estimate at a

proper valuation the great opportunities for service and ability which the Society and its organisation have provided, the careers which have been opened to young men and women who have qualified as Incorporated Accountants and the substantial share of professional business in this country with which Incorporated Accountants are entrusted.

Fifty years have bequeathed to us a great tradition. We find it in the unity of spirit and team work among its members, and in the growth and continuance of established firms of Incorporated Accountants. It is expressed in this beautiful and useful Hall, recently embellished by some gifts of old silver. In this tradition, already potent, and in the high ideals of training, ethical conduct and character, I look forward to the future of the Society with unshaken confidence. (Applause.)

The PRESIDENT said he was sure they were all very much indebted to Mr. Hewetson Nelson for the splendid record he had put before them that morning. He intended to arrange that the address should not only be entered on the Minutes, but published, so that all could read it at their leisure.

Congratulations by Visitors from Abroad.

In accordance with the programme arranged for that meeting, the President said he was now going to call upon visitors from abroad to address them.

Mr. BRYAN PONTIFEX, of the Dominion Association of Chartered Accountants, said he had the honour at this Jubilee to be the representative of the Dominion Association of Chartered Accountants. 1,400 Canadian Chartered Accountants hoped that the Society would accept their congratulations—very hearty congratulations and good wishes. That was a definite, unambiguous hope—not like that of the lady who, standing beside the bed of her ill and unconscious husband, turned to the doctor and said, "Doctor, is there any hope?" The doctor looked at her and said, "You must tell me first what you are hoping for." (Laughter.) He had been asked not to speak for more than two minutes. He had somehow got into a "restricted area." (Laughter.) Possibly they would like to hear briefly something about the organisation of accountancy in the great Dominion of Canada. Each of the nine Provinces in Canada had its Institute of Chartered Accountants. In point of age, Quebec was the premier, as under the title of "Association of Accountants in Montreal" it was incorporated 55 years ago. In point of size, Ontario ranked first. That Institute was incorporated 52 years ago, and had to-day some 600 members on its roll. Every member of a provincial Institute was, *ipso facto*, a member of the Dominion Association, and the Dominion Association functioned under an Act of the Dominion Legislature. Under its auspices the Annual Conventions were held alternately in each Province of the Dominion. The standard of qualification was a high one, and he could assure those present that they shared with them and with their Society the same aims and ideals of honourable and useful service. Canadian accountants all felt that it was a great honour that a member of the Society should this year, for the first time, occupy the premier posi-

tion in the premier City of the world, namely, the Lord Mayor of the City of London. (Applause.) He (Mr. Pontifex), like the Lord Mayor, was an accountant, and a member of one of the ancient City Guilds, but, unlike the Lord Mayor, he had stuck to his profession, and had not passed on to a higher and more lucrative one. (Laughter.) Possibly it was the Lord Mayor's experience, and his knowledge as an accountant, that had enabled him, by careful analysis, tabulation and co-ordination of his expenses, to persuade the Court of Common Council to increase the Lord Mayor's remuneration from £10,000 to £12,500 a year. (Laughter.) Who would say, then, that accountancy had not its uses? He was afraid he had digressed. His primary duty was to bear congratulations to the Society of Incorporated Accountants and Auditors from the members of the Dominion Association of Chartered Accountants, but he was sure that his principals would think him very remiss if he did not tender to the President their congratulations and good wishes as they realised his long connection with the Society. (Applause.)

The PRESIDENT said he was sure they would like to hear Mr. Tucker, one of their Fellows from South Africa.

Mr. F. G. W. TUCKER, F.S.A.A. (South Africa), said that this was an honour he did not expect to have thrust upon him. When he came to London he had not the slightest idea that his visit would coincide with the Jubilee celebrations of their own Society. In South Africa those of them who were members of the Incorporated Society were all very proud of their membership. They were proud of the traditions which the Society had set for accountants to maintain. On behalf of the Incorporated Society in the Transvaal, and on behalf of the other branches in South Africa, he congratulated the President on the 50th Anniversary, and wished him a prosperous year of office. In South Africa they had their own accounting difficulties, but there was a motto, the motto of South Africa, "Union is strength," and he thought that if the majority of accountants were added to the Incorporated Society, 90 per cent. of those difficulties might be overcome. He did not intend to discuss their troubles, but he thanked the Society again for their hospitality and for their goodwill. (Cheers.)

The PRESIDENT then called upon Mr. Tarmaster, of Calcutta.

Mr. M. L. TARMMASTER, F.S.A.A. (Calcutta), said it had given him very great pleasure, and indeed he considered himself very fortunate, in being able to visit this country once again, especially on such a memorable occasion as the 50th anniversary of the Society. He wished to offer to all present and to Sir James Martin, their President, hearty greetings and congratulations and all good wishes from the President, Committee and members of the Bengal and District Society of Incorporated Accountants. As they were no doubt aware, the Bengal and District Society was the youngest District Society, having been founded hardly two years ago. He thought they had justified their existence, filling a long-felt want

in India. He was glad to say that the Government of India had seen fit to request them to nominate one of their own members to serve on the Indian Accountancy Board, which was the controlling body of the accountancy profession in India. (Applause.) Although they were strong, they were continually growing in strength. Members across the sea were very jealous of the name "Incorporated Accountant," and he could assure those present that they would continue to uphold the traditions of the Society. He was particularly glad, and he believed he was voicing the appreciation of all the members, that Sir James Martin had taken on the onerous duties of President once again, and he was sure that Sir James would have a very successful year of office, because they knew that he was a solid pillar of strength behind the Society. He did not want to say much about their difficulties in India. They had passed through a bad time, but there were distinct signs of an improvement for the accountancy profession. Once again he wished to tender to the Society hearty congratulations, and to say that it was a great pleasure to be with them all again. (Applause.)

The PRESIDENT said he was sure they would now like to hear Mr. Graham Pattinson, who represented the American Institute of Accountants.

Mr. I. GRAHAM PATTINSON (American Institute of Accountants) said he wished to thank the meeting for its very gracious welcome, not only on his own behalf, but also on behalf of the American Institute of Accountants which he had the honour to represent. He had been charged with the pleasant duty of conveying to them from the President and Council and the body of the American Institute their most hearty greetings and congratulations on this their Society's 50th birthday. The accountants of America generally looked to this country as the cradle of their profession, and, whilst they might have struck out on some lines of their own, nevertheless their roots went down into the Society's fertile soil, and from it they had drawn not only training, but inspiration to maintain the traditions and attempt to improve the standards established here in order that business men the world over might have faith in a profession which could be of such service to them. No profession could be of genuine and universal service without a central organised body to establish standards and maintain discipline, and in that body must be the men of public spirit who were willing to devote their time freely and without financial reward—men who would command the respect not only of the business world, but also of their own professional brethren, particularly the younger element. Taking such a creed as a measure, he felt that the business world owed a debt of gratitude to the Society of Incorporated Accountants and Auditors. They had wrought well in the cause and, as they contemplated what they had accomplished and considered their sons who were carrying the responsibility throughout the world—and in this he spoke from experience—they had just cause for the pride which he knew they must feel, and which members of the profession throughout the world all shared with them. On

behalf of the American Institute of Accountants, he wished them many happy returns of the day. (Applause.)

The PRESIDENT said that they had with them Mr. Jespersen, who represented the Danish accountants, and he was sure they would all agree that they had no firmer friends in Europe than the Danes.

Mr. C. JESPERSEN (Foreningen af Statsautoriserede Revisorer, Denmark) said he wished, on behalf of the Association of Danish State Authorised Auditors, to congratulate the Society of Incorporated Accountants and Auditors on their 50th anniversary celebrations, and also to express his hearty thanks for the wonderful hospitality shown them while visiting beautiful England. It had been a great experience for them to take part in the world's Congress of Accountants, and to be met here by such great kindness, but they never dreamt that they would also be given the opportunity to meet the members of the Society on what he would call more personal lines. It gave him great pleasure to return to England at the invitation of the Society and to renew his delightful acquaintances of two years ago. He thanked them for their great hospitality, and he sincerely hoped that some day they would have the honour of returning it. (Applause.)

Mr. CRAMPTON CHALK (Institute of Chartered Accountants of British Columbia) said he was glad to have the opportunity of speaking on that occasion, as they were so apt to be forgotten as British Columbia, being the farthest West of any Branch of the Institute. The Institute of Chartered Accountants of British Columbia sent fraternal greetings and cordial good wishes to them on the occasion of their 50th anniversary.

Mr. GEORGE LORMER (Commonwealth Institute of Accountants, Australia) said he would like to take that opportunity on behalf of the Commonwealth Institute of Accountants in Australia, of thanking them for a very warm welcome. It was a privilege to be connected with a Society of such repute, and also to meet together in that beautiful Hall. At the same time, he would like to convey to those present the Commonwealth Institute's warm congratulations on reaching their 50th anniversary. He brought them a message of goodwill from the Antipodes. The welcome he had received would be an inspiration to him, as would also be the impressive and enjoyable celebration which it had been his privilege to take part in. He wished the Society a very prosperous and a very happy future. (Applause.)

Drawing of Incorporated Accountants' Hall.

Mr. E. CASSLETON ELLIOTT (Chairman of the Fiftieth Anniversary Committee) said that with the President's permission he wished to interject something which was not on the programme. No doubt many of those present had seen in a recent issue of the *Sunday Times* a splendid picture of Incorporated Accountants' Hall. It was really a wonderful pen-and-ink drawing by Mr. Hanslip Fletcher which he was commissioned to make for the Society. The question arose as to what they were going to do with the original. It would be out of place to hang in a

prominent position a pen-and-ink drawing in that Hall, so the Chairman of the Finance Committee had decided that there was one person who should have that picture, and that was their old friend Sir James Martin. (Applause.) He was, however, going to make one condition in regard to that gift, and here he was acting entirely on his own responsibility. The picture was the copyright of the Society, and he proposed to hand the copyright over to Sir James Martin on the condition that he would allow it to be reproduced so that other members of the Society might have the pleasure of hanging it in their own homes. (Applause.) He had not the slightest doubt that Sir James would agree to that condition.

The drawing was then presented to Sir James Martin by Mr. Cassleton Elliott.

The PRESIDENT said that before he accepted the gift he wished to say that he felt he was something in the nature of a fraud. Two or three of their friends who had addressed the meeting that morning had wished him (Sir James) a very happy year of office. Unfortunately he was not going to act in that capacity for a year; he had come back again merely for the purpose of the Jubilee. He did not know why he had been called upon to come back for the Jubilee, but he would let them into a secret. His friend Mr. Cassleton Elliott first of all tried to persuade him to come back, and he replied that he did not feel quite equal to the occasion. Whereupon Mr. Cassleton Elliott told him to consult his wife. He had done so, and she had ordered him to come back. (Applause.) It was very delightful indeed of them to give him that beautiful picture of his spiritual home. He would value the picture enormously, and he was sure his wife would value it also. He was a collector of prints of London, and he thought the Incorporated Accountants' Hall was one of the most beautiful additions to London buildings. As to the condition laid down by Mr. Cassleton Elliott with regard to the copyright, he now possessed the original, and anyone could have a copy if he liked. (Applause.)

Mr. C. HEWETSON NELSON said that in view of the disclosure which Sir James had just made, namely, that they must relate his presence in the chair to the distinguished lady now on the platform, he was sure that they would all wish to hear a word from Lady Martin before the proceedings closed.

LADY MARTIN, who was received with loud applause, said she was present to listen to the proceedings. She had not the remotest idea that she was going to be called upon to speak; indeed, if she had thought so, she would not have been there. She could only echo her husband's words, that they would very highly prize their gift. They had a tiny little gallery for etchings in their home, and this would be the choicest one among them all. (Applause.)

Resolutions.

The PRESIDENT said there were one or two resolutions he wished the meeting to accept. The first one was: "That the gracious telegram from His Majesty the King to the President of the Society be entered

on the minutes of the proceedings." The telegram had been read at the dinner on the previous evening.

This was seconded by Mr. C. HEWETSON NELSON, and unanimously agreed to.

The PRESIDENT said that the next resolution was one which he thought the Vice-President should also second, namely, that messages of greeting be forwarded to Mr. Frederic Walmsley, of Manchester, and Mr. Whittaker, of Southampton, two of the founders of the Society, who were unable to be present owing to illness.

This was seconded by Mr. HEWETSON NELSON, and carried unanimously.

The PRESIDENT then said that they had heard Mr. Hewetson Nelson in his address that morning refer to Lord Derby. He (Sir James) had never felt in regard to any Statesman a greater amount of affection than he had for Lord Derby. His attention was first drawn to Lord Derby owing to the fact that when he was a Cabinet Minister he took a train from London to speak at a dinner of the Liverpool and District Society, and when he had delivered his speech he rushed back again to London, changing his clothes in the train. He had never known any public man who would go quite to the same extent in order to fulfil an engagement. He moved that a message of greeting on his 70th birthday be forwarded to the Rt. Hon. the Earl of Derby, on behalf of the Society.

This was unanimously agreed to.

The PRESIDENT then submitted a resolution expressing thanks for the cordial messages and congratulations which the Society had received in connection with its 50th anniversary.

The resolution was carried by acclamation.

RECEPTION AT THE MANSION HOUSE

The Lord Mayor, Sir Stephen Killik, and the Lady Mayoress, gave a reception at the Mansion House to members of the Society and their friends on the evening of Thursday, April 4th. The guests arrived at the Lord Mayor's Entrance and were received in the Drawing Room by the Lord Mayor and Lady Mayoress, with whom were Sir James and Lady Martin. A bouquet was presented to the Lady Mayoress by Miss Inniss Nelson, and another to Lady Martin by Miss Joan Elliott. From the Drawing Room the guests passed into the Egyptian Hall, where dancing took place to music provided by the Band of the Royal Artillery. At the conclusion of the Reception the Lord Mayor and Lady Mayoress, accompanied by Sir James and Lady Martin, joined the company in the Egyptian Hall, the decorations and hangings of which showed to great advantage in the beautiful lighting scheme recently introduced. The historic Mansion House Plate, which was exhibited in the Long Parlour, proved a great attraction, and the privilege of viewing it was much appreciated. Throughout the evening refreshments were served in the Salon and the company dispersed about 11 o'clock, having enjoyed to the full the hospitality of the Lord Mayor and Lady Mayoress in the official residence of the Chief Magistrate of the City.

AT HOME.

Sir James and Lady Martin were At Home at Incorporated Accountants' Hall on the afternoon of Friday, April 5th. The guests were received in the Gallery by Sir James and Lady Martin, with whom were Mr. C. Hewetson Nelson and Miss Inniss Nelson, and tea was served in the Great Hall. The Old Silver recently presented to the Society by Mr. Frederic Walmsley, Sir James Martin and Mr. Henry Morgan and the late Mr. G. S. Pitt, was displayed in the Council Chamber, and a number of Old Books from the Library with notes prepared by the Society's Librarian were also on view. During the afternoon music was rendered by the Band of the Royal Air Force.

BALL AT THE DORCHESTER.

The Celebrations concluded with a Ball at The Dorchester Hotel, Park Lane. Over 600 members and guests were received in the Silver Room by Sir James Martin (President) and Lady Martin and Mr. C. Hewetson Nelson (Vice-President) and Miss Inniss Nelson. Bouquets were presented to Lady Martin by Miss A. M. Paynter, A.S.A.A., and to Miss Inniss Nelson by Miss Freda Wakeford, A.S.A.A. Dancing commenced at 9 o'clock to music by Marius B. Winter's Band and continued until 11.30, when a Cabaret Performance was given for about 20 minutes. This enjoyable interlude was followed by Supper served in the Grill Room, the Park Suite and the Ball Room. Dancing was resumed immediately afterwards and continued until 2.45 a.m., when the proceedings terminated with Auld Lang Syne and God Save the King. The function was much enjoyed and was a happy ending to the Celebrations.

The following are the names of the members and their friends who attended one or more of the functions:—

Sir James Martin (President) and Lady Martin.

Mr. C. Hewetson Nelson (Vice-President) and Miss Inniss Nelson.

The Lord Mayor (Sir Stephen Killik) and the Lady Mayoress (Mrs. Greenland).

Mrs. V. A. Adams (London), Mr. D. H. Allan (London), Mr. Harold J. Allcock, M.Sc. (Cardiff), Mr. John Allcock, O.B.E. (Cardiff), Mrs. John Allcock, Mr. P. F. Allday (London), Mr. Samuel O. Alldridge (London), Mr. A. Stuart Allen (London), Mrs. A. Stuart Allen, Mr. E. P. Allen (London), Mr. J. W. Allen, O.B.E. (London), Mrs. J. W. Allen, Mr. N. Ammeraal (Holland), Mr. E. A. Anderson (Belfast), Mr. F. E. Anderson (London), Mr. and Mrs. G. R. Armes (Southsea), Mr. G. A. Armson (London), Mrs. G. A. Armson, Mr. F. V. Arnold (Brighton), Mrs. Arrowsmith (London), Miss M. Ashby (London), Mr. A. E. Ashwell (London), Mr. Robert Ashworth, R.D. (London), Mrs. Robert Ashworth (Hillingdon), Mr. M. E. Askwith, (London), Mr. I. G. Aspinall (London), Mr. G. F. Attwood (Reading), Mrs. Attwood, Mr. Joel Auerbach (London), Mr. Owen Airson (Huddersfield), Mr. S. Aylett (London), Mr. H. George Ayres (London), Mrs. Ayres, Mr. W. J. Back (London), Mrs. W. J. Back, Mr. G. W. Bacon (London), Mrs. A. E. Bacon, Mr. James Baird (Belfast), Sir Alfred Baker (London), Mr. B. Baker (Walsall), Miss V. H. Baker (London), Mr. Edward Baldry (London), Mrs. Edward Baldry, Mr. and Mrs. A. Ball (London), Miss Dorothy Barham (Copenhagen), Major R. N. Barnett, T.D. (London), Mrs. Barnett, Mr. C. W. Barrett (London), Mrs. Barrett, Mr. C. Percival Barrowcliff (Middleborough), Mr. H. B. Barter (Richmond), Mrs. Barter, Mr. and Mrs. R. Wilson Bartlett, (Newport, Mon), Mr. and Mrs. H. M. Barton, Mr. C. G. Bastow

(London) Mrs. C. G. Bastow, Miss J. M. Bastow, Mr. H. J. E. Batchelor (Southampton), Mr. D. H. Bates (Stoke-on-Trent), Mr. Harold W. Batty (London), Mrs. H. W. Batty, Mr. C. S. Beale, Mr. and Mrs. H. W. Bedwell (London), Miss Bedwell, Mr. R. H. Behrend (London), Mr. B. B. Beldham (London), Mrs. Beldham, Mrs. John Bell (Dublin), Mr. Mervyn Bell (Dublin), Mr. Robert Bell (Belfast), Mr. H. F. O. Bence (London), Mrs. H. F. O. Bence, Mr. Michael Benjamin (London), Mr. D. H. Bennett (Dovercourt), Mr. E. G. Bennett (London), Mr. H. B. Bennett (London), Mrs. Bennett, Mr. N. Bennington (London), Mr. F. S. Bentley (Nottingham), Mr. J. S. W. Bernhardt (Bristol), Mr. C. V. Best (London), Mrs. M. M. Best (London), Mr. W. F. Bestley (London), Mrs. W. F. Bestley, Mr. G. Beverley (London), Mrs. Beverley, Mr. Arthur Bewley (Salford), Mrs. Arthur Bewley, Mr. M. L. Bhargava (London), Mr. and Mrs. Basil B. Biglan (London), Miss K. Binnie (London), Mr. Joseph Birrs (Miffield), Mrs. Joseph Birrs, Mr. T. Fleming Birch (Leicester), Mr. C. E. L. Bird (London), Mrs. Bird, Mr. S. C. Bishop (Norwich), Miss M. D. Black (Newport, Isle of Wight), Mr. W. C. Black (Newport, Isle of Wight), Mr. W. J. Blakeley (Hull), Mrs. W. J. Blakeley, Miss B. Bonsor (Cheam), Mrs. L. Bonsor (Cheam), Mr. Horace Boot (London), Mrs. Boot, Mr. Norman Booth (Belfast), Mr. and Mrs. G. Boulwood (Woodford Wells), Captain E. W. Bowen (London), Mr. R. T. Boyes (London), Mr. S. Boyle (Belfast), Mr. F. C. Bramble (London), Mrs. Bramble, Mr. C. H. Brand (London), Mr. R. M. Branson (Leicester), Mrs. R. M. Branson, Mr. F. S. Bray (London), Mrs. G. E. Bray, Mr. T. R. Braybon (Brighton), Miss Lee Breckman (London), Mr. Joseph Bridgwater (Birmingham), Mrs. Joseph Bridgwater, Miss E. E. Brier (London), Mr. F. Bristow (London), Mr. J. S. Brittain (London), Miss E. Broadbent (Leeds), Mr. J. Paterson Brodie (Stoke-on-Trent), Mr. J. C. Brookhouse (London), Mr. Reuben Brooks (Gravesend), Mr. and Mrs. Charles H. Brown (London), Mr. Curtis Brown (London), Mr. E. T. Brown (Birmingham), Mrs. E. T. Brown, Mr. J. W. Brown (Wolverhampton), Miss Lesley Brown (London), Mr. Joseph Bruce (London), Miss S. D. Bryett (Sanderstead), Mr. W. Norman Bubb (London), Mr. Bartle Bull (Norwich), Captain Cyril G. Bull (Worcester), Mr. George W. Bull (Worcester), Mr. H. S. Bull (Plymouth), Mr. Henry J. Burgess, C.C. (London), Mr. E. Claude Burrell (London), Mrs. Burrell, Mr. A. H. Burridge (London), Mrs. Burridge, Mr. and Mrs. Roland Burrows and Miss Burrows (London), Mr. W. J. Busschau, Mr. J. H. Burton (London), Mrs. Burton, Mr. G. Bussell (London), Mr. W. A. J. Bussey (Purley), Mrs. W. A. J. Bussey, Mr. D. M. Butcher (London), Mrs. D. M. Butcher, Mr. E. W. Butler, O.B.E. (London), Mr. J. M. Cameron (London), Mrs. Cameron, Mr. D. E. Campbell (Wolverhampton), Mr. A. H. Campion (Nottingham), Mr. B. Carpenter (London), Miss M. Carswell (London), Mr. Frank Carter (Manchester), Mr. Frank Carter (London), Mrs. Carter, Mr. K. E. Carter (London), Mr. W. H. Carter (London), Mrs. Carter, Mr. Clare Catley (Scarborough), Mrs. F. Catley, Mr. W. C. Chaffey (Greenwich), Mrs. Chaffey, Mrs. A. L. Crampton Chalk, Mr. Hughes Chamberlain (Northwood), Miss Chamberlain, Miss E. Chambers (London), Mr. E. W. Epton Chapman (London), Mr. H. Epton Chapman (London), Mrs. Chapman, Miss Irene G. Chapman (London), Mr. W. A. Chapman (London), Mrs. W. A. Chapman, Mr. Ernest Chetter (Liverpool), Mr. Alan Chick (London), Mrs. Alan Chick, Miss Freda Clarke (London), Miss P. Clarke (London), Mr. William R. Clarke (Dublin), Mr. B. L. Clarke-Lens (London), Mrs. B. L. Clarke-Lens, Mr. N. M. Clarke-Lens (London), Mr. F. E. Clements (London), Mrs. Clements, Mr. and Mrs. Cleveland (London), Mr. S. H. Clinch, M.B.E. (London), Mr. and Mrs. W. H. Coates (London) and the Misses Coates, Mr. F. G. Coates (London), Mrs. Coates, Mr. G. R. Coates (London), Mr. A. W. Cockerill (London), Mrs. A. W. Cockerill, Mr. L. C. Cohen (Brighton), Mr. C. F. Coleman (London), Mr. Ernest C. Coleman (London), Mrs. E. C. Coleman, Mr. H. E. Colesworthy (London), Mrs. H. E. Colesworthy, Mr. Arthur Collins (London), Mrs. Arthur Collins, Mr. Albert Cook (Stoke-on-Trent), Mrs. C. A. Cooke (London), Mr. D. F.

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Harry Shindler (London), Mr. A. E. A. Shuter (London), Mrs. A. E. A. Shuter, Mr. N. Keith Silver (London), Mrs. N. K. Silver, Mr. R. M. Simpson (London), Mrs. R. M. Simpson, Mr. S. W. Simpson (London), Mrs. S. W. Simpson, Mr. G. N. Sinclair (Oswestry), Mr. P. E. Slack (London), Mrs. R. Slack, Mr. and Mrs. A. W. L. Sleeman (Swansea), Mrs. Smart, Mrs. Smith (London), Mr. A. H. Smith (Harrow), Miss C. S. Smith (Claygate), Mr. Dick Smith (Cheam), Mr. F. W. Smith (Newcastle), Mr. H. Smith (Manchester), Mrs. H. Smith, Mr. J. R. Smith (Claygate), Mr. J. Rollings Smith (Harrow), Mrs. J. Rollings Smith, Mr. O. H. Smith (London), Mrs. Smith, Mr. S. Bayliss Smith (London), Mr. S. H. Smith (London), Mr. W. Southwood Smith (London), Mrs. W. Southwood Smith, Mr. P. L. Smout, M.C. (London), Mrs. P. L. Smout, Mr. S. G. Solman (London), Mr. B. Soole (Harpenden), Mr. R. P. Spanton (Bury St. Edmunds), Miss L. M. Sparks (London), Colonel W. A. Sparrow, O.B.E., T.D. (Eastbourne), Mr. W. J. Sparrow (Eastbourne), Mr. G. M. Spence (London), Sir Reginald A. Spence (London), Mr. W. R. Spencer (London), Mr. P. A. Spooner (London), Mrs. P. A. Spooner, Mr. J. E. Spoor (Newcastle-on-Tyne), Mr. J. S. R. Spoor (Newcastle-upon-Tyne), Mr. R. H. Stafford (London), Mrs. R. H. Stafford, Mr. L. H. Staite (Worthing), Mrs. L. H. Staite, Mr. W. H. Stalker (Newcastle-upon-Tyne), Mr. Arthur F. Stallwood Sir Josiah and Lady Stamp (London), Mr. and Mrs. Carlyle Stamp, Mr. Lancelot Staples (Leicester), Mrs. Staples, Mr. J. W. Stephens (London), Mr. S. G. Stephens (London), Captain and Mrs. T. W. Stephens (Newport, Mon), Mr. Joseph Stephenson, O.B.E. (Peterborough), Mrs. J. Stephenson, Mrs. B. Stern (London), Mr. H. C. Stern (London), Mr. A. H. Stevens (London), Miss E. M. Stevens (London), Miss M. K. Stevens (London), Mr. D. R. W. Stevenson (Liverpool), Mr. Andrew Stewart (Huddersfield), Mrs. Stewart, Mr. G. J. Stewart (London), Mr. W. H. Stewart (London), Mr. W. Stott (Bolton), Mrs. Stott, Mr. William Strachan (London), Mrs. F. M. Strachan (Kingston-on-Thames), Mr. H. C. Street (London), Mr. G. E. Stringer (London), Mr. A. W. Styles (London), Mrs. A. W. Styles, Mr. D. W. Stuart (London), Mrs. Stuart, Mr. T. E. Sugden (Keighley), Mrs. T. E. Sugden, Miss L. Sukmanski (London), Mr. E. J. C. Swaysland (London), Mrs. E. J. C. Swaysland, Mr. F. Sykes (Brighton), Mr. W. H. Tangye (London), Miss D. M. Tanner (London), Mr. M. L. Tarmaster (Calcutta), Mrs. Tarmaster, Mr. J. C. Taylor (Manchester), Mr. K. G. Taylor (London), Miss V. L. Taylor (Sheffield), Mr. A. Thatcher (Stockport), Mrs. Thatcher, Miss H. M. Theobald (Brighton), Mr. J. D. Thick (Reading), Mr. W. H. Thies, D.C.M. (Aldershot), Mrs. W. H. Thies, Miss E. Thomas (London), Mr. O. I. Thomas (London), Mrs. Thomas, Mr. P. E. T. Thomas (London), Lieut.-Colonel R. C. L. Thomas, M.C., T.D. (Newport, Mon), Mrs. R. C. L. Thomas, Mr. R. H. Thomas (Liverpool), Mr. F. A. Thompson (London), Mr. M. Thompson (London), Mrs. Thompson, Mr. J. C. Thornley (King's Lynn), Mrs. Thornley, Mr. F. W. Tipton (Harrow), Mr. Percy Toothill (Sheffield), Mr. William Towers (Manchester), Mrs. William Towers, J.P. (Manchester), Mr. C. L. Townend (Bradford), Mrs. M. Townend (Halifax), Mr. J. D. Treasure (London), Mr. E. A. Trefzger (Birmingham), Mr. F. G. W. Tucker (Johannesburg), Mrs. F. G. W. Tucker, Mr. Alan E. Tunbridge (Great Yarmouth), Mr. S. T. Tunbridge (Great Yarmouth), Mr. Charles Tunnington (Liverpool), Colonel A. W. Turnbull (Shrewsbury), Mr. A. E. Turner (Reading), Mrs. Turner, Mr. Joseph Turner (Manchester), Mrs. J. Turner, Mrs. L. F. Turner (Worcester), Mr. Robert Turner (London), Mr. C. J. Twist (Wigan), Mrs. C. J. Twist, Mr. J. Unwin (Wrexham), Mr. B. G. Vickery (London), Mrs. Vickery, Miss Volum (London), Miss F. Wakeford (London), Mr. C. E. Wakeling (London), Mr. E. J. Waldron (Southampton), Mr. L. C. Walker (London), Mr. Percy H. Walker (Cardiff), Mrs. P. H. Walker, Mr. A. H. Walkey (Dublin), Mrs. A. H. Walkey, Mr. A. J. Walkey (Dublin), Mrs. A. J. Walkey, Mr. N. B. Wallis (Nottingham), Mr. S. I. Wallis (Nottingham), Mr. C. N. Walter (London), Mrs. C. N. Walter, Mr. F. W. T. Ward (London), Mrs. G. M. Ward (London), Mr. J. H. Ward (Maidstone), Mrs. J. H. Ward, Mr. J. H. W. Ward (Maidstone), Mr.

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Incorporated Accountants' Golfing Society.

SUMMER MEETING.

Arrangements have been made for the Society's Summer Meeting to be held on June 29th and 30th at Woodhall Spa, Lincolnshire. The Golf Course adjoins the hotel and the charges, inclusive of golf from Friday dinner to Sunday lunch are £2 1s. 6d. It is hoped that there will be a large number of Incorporated Accountants from various parts of the country, in addition to members of the Incorporated Accountants' Golfing Society, who will be able to attend this meeting, when the Society's Challenge Cup and the Nicholson Trophy will be competed for.

MATCH WITH SCOTTISH CHARTERED ACCOUNTANTS.

A match with the Scottish Chartered Accountants' Golfing Society took place at Moor Park, Rickmansworth, on Wednesday, April 10th, which resulted in a win for the Scottish Society by 8½ to 6½. In the Four Ball Competition the Scottish Society won by 3 to 2 and in the singles by 5½ to 4½.

Chartered Institute of Secretaries.

The Country Conference of the Institute will be held at Buxton on May 30th and 31st and June 1st when the Mayor will give a Civic Welcome.

Society of Incorporated Accountants and Auditors.

MEMBERSHIP.

The following additions to the membership of the Society have been completed since our last issue:—

ASSOCIATES.

- BARR, GEORGE MIDDLETON, with Glover & Co., 6, Priory Place, Doncaster.
- BELL, JAMES THOMAS, with Willett, Son & Garner, 1, Cooper Street, Manchester.
- CANLAN, CECIL EDWARD, with J. Wallace Williams & Co., 5, St. Andrew's Crescent, Cardiff.
- FISK, WILLIAM ERNEST GYDE, with Percy Pemberton & Co., 32 and 34, Cookridge Street, Leeds, 2.
- FREE, LEONARD WILLIAM, with Hill, Vellacott & Co., Finsbury Circus House, Blomfield Street, London, E.C.2.
- GOODMAN, JACK, with George A. Peace & Co., 48, Castle Street, Liverpool.
- HALL, FREDERICK GEORGE, with Atkins, Chirnside & Co., 11, South Mall, Cork.
- HASTINGS, STANLEY, formerly with C. S. Garraway, 19, North Church Street, Sheffield.
- HORSFALL, HARRY CLIFFORD, with Cassleton Elliott & Co., 4-6, Throgmorton Avenue, London, E.C.2.
- LONG, ROBERT EDWIN, with A. Assheton, Lowe & Co., 12, Coleman Street, London, E.C.2.
- POLLARD, HARTLEY RAYMOND, with Bournier, Bullock & Co., 11A, Fore Street, St. Austell.
- PUGH, FRANCIS VIVIAN ADLINGTON, with Dubois & Co., 2, Bloomsbury Place, London, W.C.1.
- TARRY, BERTRAM CHARLES, with Baker & Co., Castilian Chambers, Castilian Street, Northampton.
- THORNBOROUGH, HORACE HENRY, with Edward Blinkhorn, Lym & Co., 69, Leadenhall Street, London, E.C.3.
- WILSON, WILLIAM ERIC, with Smith & Garton, 2, Park Row, Leeds, 1.
- WRAGG, LEONARD EDWARD, with Woodington, Bubb & Co., 5, Philpot Lane, London, E.C.3.

Changes and Removals.

Messrs. Newman Ogle, Ashworth & Bevan announce the amalgamation of their firm with that of Messrs. Roy Matthews & Co., Chartered Accountants, of 21, Bedford Row, London, W.C. The practice will be carried on at Spencer House, South Place, London, E.C., under the style of Newman Ogle, Bevan & Matthews.

Mr. C. C. Palmer, Incorporated Accountant, announces a change of address to 25, Head Street, Colchester.

Messrs. Wm. H. Jack & Co., Incorporated Accountants, 49, Bath Street, Glasgow, and London, intimate that they have admitted into partnership Mr. P. Clarkson Ritchie and Mr. Robert Macmenemey at their Glasgow office, and Mr. J. H. McDonald as a partner in their London firm. The firm name will be unchanged.

Mr. C. R. Savory, Incorporated Accountant, 2, Bonaccord House, Harrison Street, Johannesburg, has joined Mr. J. A. Dickinson, Chartered Accountant, in partnership. They will practise under the name of Savory & Dickinson at 911, Transvaal House, 80, Commissioner Street, Johannesburg.

Messrs. Swallow, Crick & Co., Incorporated Accountants, announce that their Peterborough office has been removed to 31, Priestgate.

THE BUDGET.

CHANCELLOR'S SPEECH.

The following is the text of Mr. Chamberlain's speech in introducing the Budget in so far as it relates to matters which are of more particular interest to the accountancy profession:—

Omitting self-balancing items, I can summarise the expenditure as follows: Consolidated Fund Services, £235,580,000; Supply Services, including the margin of £4,000,000, £494,390,000, making a total of ordinary expenditure of £729,970,000.

REVENUE, 1935-36.

What revenue can we find to finance this enormous outlay? I take the smaller items first. The Exchequer's share of the Motor Vehicle Duties remains at £5,000,000, the minimum fixed under the arrangement embodied in the Finance Act of last year. The Post Office net receipts, in spite of the extra business which we expect, must be reduced to £11,850,000 as a result of higher expenditure on account of the restoration of the cuts, and also on account of that reduction in telephone charges which my right hon. Friend undertook recently with the approval of the Treasury. Crown Lands I put at £1,330,000, a casual increase of £100,000 over last year's estimate. Sundry Loans are £3,900,000, and Miscellaneous Receipts, always a variable item, I put at £21,500,000.

Then I come to the Inland Revenue Duties. The receipts from Income Tax last year were just below £229,000,000, but I have already pointed out to the Committee that £6,000,000 of that was due to the acceleration of collection owing to the fact that in the March quarter we exceeded all our anticipations, and, in fact, had the best proportion of collection that we have experienced since the end of the War. But the result, of course, of this acceleration was to diminish the arrears which are carried forward into the current year, and therefore the gain of 1934 is the loss of 1935. We must, therefore, compare our Estimates for 1935 not with £229,000,000, but with £223,000,000. I hope, of course, that the income Tax payer will continue his good work of last year, and even improve upon it, but the rate of collection is now so high that I am afraid we must not expect any more considerable gain from a still further increase in the rate of collection. In 1935 we have to bear the extra cost in a full year of the reduction of Income Tax last year, and I estimate that extra cost at £3,000,000. On the other hand, we may expect to gain in assessment, because the profits and income in 1934 on which is based the Income Tax for 1935 were greater than the profits and income in 1933, upon which was based the Income Tax of 1934.

All the information which I have been able to gather shows that there was a substantial improvement in trading conditions in 1934, and, taking all things into account, I estimate that I may receive from income tax in the current year £237,000,000, which is £14,000,000 more than in 1934, leaving out

the amount due to the acceleration of collection. Surtax I put at the same figure as last year—£51,500,000. I have to take account there, also, of the fact that there was a speedier collection last year, and the Committee is aware that there is a lag of a year between surtax and income tax, and we shall therefore have to wait for another year before surtax shows an expansion comparable to that which I have provided for in income tax. Death Duties I put at £80,000,000, that is £1,000,000 less than last year, but last year the yield from large estates was certainly on the high side. Stamp Duties, I think, should show a continued improvement, and they ought to reach £25,000,000. The remaining Inland Revenue Duties including Excess Profits Duty and Corporation Profits Tax, are expected to yield £2,500,000. I, therefore, have a total for Inland Revenue of £396,000,000, made up of Income Tax, £237,000,000; Surtax, £51,500,000; Death Duties, £80,000,000; Stamp Duties, £25,000,000, and the remainder £2,500,000.

After giving some details of anticipated revenue from Customs and Excise, Mr. Chamberlain continued: The total figure for Customs and Excise is £296,000,000, or over £6,000,000 more than was received by the Exchequer in 1934. That makes a total estimated revenue, on the basis of existing taxation of: Inland Revenue, £396,000,000; Customs and Excise, £296,000,000; minor items, £43,580,000; adding up to £735,580,000. Deducting from that the estimated ordinary expenditure of £729,970,000, I am left with a prospective surplus of £5,610,000.

Mr. Chamberlain then explained the position regarding Stock conversions, heavy oils, &c., and continued: It will now be useful to return to that prospective surplus and see how it has been getting on while I have been talking. When it was last seen, it stood at £5,610,000, and it has now been fortified by the addition of £145,000 for Minor Items, £800,000 for the yield on the Heavy Oil Duty and the £4,470,000 for the increase of Miscellaneous Revenue. I now find myself in possession of a sum available for distribution of £11,025,000.

ENTERTAINMENTS DUTY.

In dealing last year with a much larger surplus than this, I based myself upon a dictum of Lord Snowden, that in common justice the first relief ought to be given to those classes who suffered most when the crisis was acute. I see no reason to depart from that principle now. As it is obvious that I have not enough at my disposal to enable me to make a complete restoration, I must adjust my distribution to try and meet the most pressing needs. Among these, the first that I deal with concerns the Entertainments Duty. The emergency Budget of 1931 reimposed a duty on admission for payment over 2d. up to 6d., which had been free since 1924, and it also increased the scale of duty on payments over 6d. It will be recollected that in imposing these extra charges Lord Snowden expressly stated that he desired to give an opportunity to all sections of the community to contribute towards the nation's needs. I have had a good deal of evidence to show that the

intentions of the author have not been altogether fulfilled. Particularly, the duty on the cheaper seats in the cinema houses and that on those entertainments in which living performers have been putting up a very gallant struggle for survival against the competition of mechanical performances, seems to have fallen largely on the proprietors rather than on the public.

It is time they had some relief. To revert to the old scale would cost in a full year £2,700,000. Out of that not less than £2,300,000 is attributable to the duty on the seats up to 6d. Only £400,000 came from the rest. I propose to allocate the whole of the £2,700,000 to the relief of the Entertainments Duty, but I want to take the opportunity of remodeling the scale which existed before 1931. I propose to relieve from all duty all payments up to 6d., costing, as I have said, £2,300,000 in a full year. The remaining £400,000 I propose to apply entirely to the reduction of the duty on seats over 6d. in entertainments given by living performers. They have claimed total exemption. I cannot give them that, but I am sure they will not fail to appreciate the importance of a change which, for the first time, differentiates between this kind of performance and another, and differentiates in their favour. Hon. Members will find the details of the new scales in the White Paper. The proposal will come into operation on July 1st, and a resolution will be moved accordingly. The cost in the present year is estimated to be £2,025,000.

INCOME TAX ALLOWANCES.

Last year I took off the 6d. from the Income Tax which had been imposed in 1931, but I was not able then to deal with income tax allowances, or with the extra 10 per cent. that had been placed upon the Surtax. I have now to make some proposals about income tax allowances which involve some change of method. The old reliefs were never scientific, nor are they sacrosanct. They were imposed at a time when the cost of living was high, and some of them were afterwards increased at a time when the cost of living was falling. But there are other reasons for an alteration. In 1931, the increased taxation from reduced allowances was to some partial extent compensated for by an increase in the earned income allowance from one-sixth to one-fifth. To go back now to the exact system which prevailed before the change in 1931 would, therefore, involve the withdrawal of a concession which was very welcome at the time, and which has now, I think, become established in the tax. At any rate, I should be very sorry myself to alter it.

There is a further consideration which weighs with me even more heavily. I had to choose last year between a reduction in the standard rate and an alteration in the income tax allowances, and I deliberately selected the first, because I thought it was the most likely to give renewed encouragement and stimulus to trade. I am very glad that that has been borne out by what has happened. But I realised quite well at the time that that proposal conferred a greater benefit upon the large taxpayer than upon the small, because, of course, to the small

income taxpayer the most important thing is the level of his personal allowances and reliefs, which makes to him more difference than an alteration in the level of the standard rate. Therefore I want this year to see the small taxpayer have his turn. I want the relief that I can give—and, as I shall show, it will be substantial—to go as far as possible to incomes near the bottom of the scale. It is pretty clear what is the best method of effecting that. It is to make an alteration in the zone which is subject to the lower rate of income tax. At the present time the rule is that the first £175 of taxable income—that is, income less the personal allowances—is charged income tax only at half rate, that is, at 2s. 3d. in the £. I propose to substitute for that a new rule, that the first £135 shall be charged only at one-third rate, namely, 1s. 6d. in the £.

It is not very easy for hon. Members to grasp at once what that means. It means, of course, that up to £135 of taxable income a taxpayer will pay at 1s. 6d. instead of 2s. 3d.; and between £135 and £175 of taxable income he will pay at 4s. 6d. instead of 2s. 3d. But a man who has a taxable income of £175 has to calculate what is the net effect of the reduction and increase. It comes out that under this proposal 2,250,000 taxpayers, that is, about 70 per cent. of the whole body of income taxpayers, who have taxable incomes not exceeding £135, will get a reduction of income tax amounting to 9d. in the £—that is to say, three times as much as they got last year. Another 200,000 taxpayers, whose taxable income lies between £135 and £175, will also get relief, but that relief will gradually diminish as you go from £135 to £175, until at the higher figure it has practically died out. Let me give the Committee an example to show how the plan works. It really gives a very substantial help to the small taxpayer. Take the case of a married man with three children and an earned income of £500. He has a taxable income of £120. At the present time he pays in income tax £13 10s.; under this proposal his tax will be reduced to £9. For technical purposes it will be necessary to move a resolution in connection with this proposal.

That is not my only proposal; I have two more, both of which are designed to lighten the burdens which at present fall upon those who carry the responsibilities of family life. The first concerns the personal allowance of a married taxpayer. That now stands at £150; I propose to raise it by £20, to £170. The second concerns the children's allowances. These at present stand at £50 for the first child and £40 for each subsequent child. I must say that I look upon the continued diminution of the birth-rate in this country with considerable apprehension. At the present time it may seem that we have here a larger population than we are able to support in England. At the same time, we know the difficulty which the Dominions find in accommodating a larger population when they themselves are troubled with unemployment. But I have a feeling that the time may not be far distant when that position will be reversed; when the countries of the British Empire will be crying out for more citizens of the right breed,

and when we in this country shall not be able to supply the demand. I think that if to-day we can give even a little help to those who are carrying on the race, the money will not be wasted. I propose to raise the allowance for each child after the first to £50, however many children there are.

These two last proposals benefit all families, and, taken in conjunction with the first one, they give a great deal of relief to families with small incomes. I have already mentioned the case of a married man with three children and an earned income of £500, and have shown how his tax under the first proposal would be reduced from £13 10s. to £9. Under these further proposals he will get a further reduction of £3, bringing his tax down to £6. If his income is all derived from investments, instead of paying as he does now, £29 16s. 3d., he will only be called upon to pay £20 5s. A married man with £400 a year total income and two children, if his income is entirely derived from investments, now pays £18, and under my proposals he will in future pay £9 15s. If his income is all earned, he now pays £9; in future he will pay only £3 15s. A man with £300 total income, married but without any children, if his income is derived from investments, now pays £16 17s. 6d.; in future he will pay only £9 15s. If his income is earned, he now pays £10 2s. 6d.; in future he will pay only £5 5s.

I have one other minor amendment to propose. The smallest earned income which is at present liable to tax, in the hands of a single person, is £125. Such a person gets a personal allowance of £100 and an earned income allowance of £25, and his liability, therefore, is extinguished. But, if his income is derived from investments, he then has to pay tax on £25. That has pressed rather hardly on some people with very small incomes, where their income has been reduced by reason of the conversion loans. I am proposing in future to fix an exemption limit of £125 for all types of income, whether consisting wholly or partly of investment income; and I have to couple with that a special provision for incomes just over the £125, so as to prevent there being a sudden jump in liability at that point. For incomes between £125 and £145 (?£140) there will be an over-riding provision that the tax shall not exceed one-fifth of the excess over £125.

The Financial Statement will give a number of tables which will illustrate these proposals in detail, and I think I only need now give the Committee what the cost of these reductions will come to in the aggregate. In a full year the cost of these various amendments in income tax allowances will amount to £10,000,000; but, owing to the way in which the tax is collected, I shall only have to find, in the current year, £4,500,000. This £10,000,000 will, I believe, give a welcome relief to a very great number of small taxpayers. I am sorry that it is impossible for me this year to do anything to relieve the extra 10 per cent. put upon the surtax payers, but I think the proposal I made last year reducing the standard rate, taken in conjunction with those I am now making, on the whole constitute a fair division of relief among the various classes of income taxpayers.

SALARY CUTS : RESTORATION.

There still remains for consideration that part of the cuts in remuneration which I was not able to restore last year. After thinking it over, I have come to the conclusion that it is advisable to make no further division of the process of restoration, and I am therefore proposing to clean the slate and to make a full restoration from July 1st, the same date as that on which the corresponding change was made last year. That will cost me in a full year £5,500,000 and in the current year only £4,000,000. In consequence of the provision of the Statutory Salaries (Restoration) Act of 1934 no legislation will be necessary, but we shall require an Order-in-Council and a Supplementary Estimate, which will be introduced at an appropriate opportunity.

FINAL BALANCE SHEET.

Adding together the cost in the present year of these various reliefs, I find that they account for £10,525,000 out of the £11,025,000 which I have at my disposal. The final figures therefore are:—Revenue, £734,470,000; expenditure, £733,970,000, leaving me with a prospective surplus for the year of £500,000.

So I conclude the fourth Budget which I have presented to this Committee; not quite as bountiful a Budget as last year, but yet one carrying a little further the removal of burdens and in particular bringing a larger measure of relief to certain classes who perhaps have not yet enjoyed their full share of our returning prosperity. Their voices may not be as strident as those of some others, but they are none the less deserving of our attention, for the small taxpayer's contribution to the needs of the country has been of the first importance. He has borne the

long struggle to provide them, often involving great distress of mind and the sacrifice of the scanty luxuries of his household, with a patience and courage that seem to me to be beyond all praise.

We are framing our requirements to-day at a time of fresh anxiety in Europe. We must recognise that our further progress may be powerfully affected by events over which we have little control. Moreover, we have ever before our eyes those districts, once the seat of our most prosperous industries, which to-day still lie under the shadow of world depression. We must not, we shall not, relax our efforts by any or every measure which offers a reasonable prospect of success to restore them to a position in which they can play their part in the normal life of the nation. But, taking the country as a whole, looking back over these 3½ years, we can see the improvement has been solid, continuous and steady. To that result many things have made their contribution—tariffs, conversion operations, cheap money, balanced Budgets, remissions of taxation. They have done it largely by creating a spirit of confidence. Confidence is the mother of enterprise, and, when it operates upon many individuals, and through many channels, it is far and away the most effective form of promoting a general and rapid expansion of economic activities. Broadly speaking, we may say that we have recovered in this country 80 per cent. of our prosperity. Our task is now to win back the remaining 20 per cent. without jeopardising the confidence that we have already established. Given peace abroad and a fair measure of unity at home, I see no reason why we should not during this current year make a further substantial advance towards prosperity, and it is in that conviction that I have framed my Budget Estimates.

INCOME TAX.

The following are extracts from the Financial Statement issued in connection with the Budget, giving amount of tax, and effective rate of tax per pound of income, on specimen incomes.

MARRIED COUPLES WITHOUT CHILDREN.

The Table shows the tax payable by Married Couples without children, after deduction of the Married Allowance and Earned Income Relief. The Taxpayer, however, may be entitled to further reliefs which would reduce the tax payable below the amounts shown in the table.

Total Income.	Existing Charge.				Proposed Charge.			
	If income all Earned Income.		If income all Investment Income.		If income all Earned Income.		If income all Investment Income.	
	Income Tax.	Effective rate.	Income Tax.	Effective rate.	Income Tax.	Effective rate.	Income Tax.	Effective rate.
£	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.
150	Nil	—	Nil	—	Nil	—	Nil	—
160	"	—	1 2 6	0 1½	"	—	"	—
170	"	—	2 5 0	0 3	"	—	"	—
180	"	—	3 7 6	0 4½	"	—	0 15 0	0 1
190	0 4 6	0 0½	4 10 0	0 5½	"	—	1 10 0	0 2
200	1 2 6	0 1½	5 12 6	0 6½	"	—	2 5 0	0 2½
225	3 7 6	0 3½	8 8 9	0 9	0 15 0	0 1	4 2 6	0 4½
250	5 12 6	0 5½	11 5 0	0 11	2 5 0	0 2	6 0 0	0 6
275	7 17 6	0 7	14 1 3	1 0½	3 15 0	0 3½	7 17 6	0 7
300	10 2 6	0 8	16 17 6	1 1½	5 5 0	0 4	9 15 0	0 8
325	12 7 6	0 9	19 13 9	1 2½	6 15 0	0 5	14 12 6	0 11
350	14 12 6	0 10	25 6 3	1 5½	8 5 0	0 5½	20 5 0	1 2
400	19 2 6	0 11½	36 11 3	1 10	13 10 0	0 8	31 10 0	1 7
450	27 11 3	1 2½	47 16 3	2 1½	22 10 0	1 0	42 15 0	1 11
500	36 11 3	1 5½	59 1 3	2 4½	31 10 0	1 3	54 0 0	2 2

MARRIED COUPLES WITH TWO CHILDREN.

The Table shows the Tax payable by Married Couples with two children, after deduction of the Married Allowance and allowance for two children and earned income relief. The taxpayer, however, may be entitled to further reliefs which would reduce the tax payable below the amounts shown in the table.

Total Income.	Existing Charge.				Proposed Charge.			
	If income all Earned Income.		If income all Investment Income.		If income all Earned Income.		If income all Investment Income.	
	Income. Tax.	Effec- tive rate.	Income Tax.	Effec- tive rate.	Income Tax.	Effec- tive rate.	Income Tax.	Effec- tive rate.
£	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.
250	Nil	—	1 2 6	0 1	Nil	—	Nil	—
275	"	—	3 18 9	0 3½	"	—	0 7 6	0 0½
300	"	—	6 15 0	0 5½	"	—	2 5 0	0 2
325	2 5 0	0 1½	9 11 3	0 7	"	—	4 2 6	0 3
350	4 10 0	0 3	12 7 6	0 8½	0 15 0	0 0½	6 0 0	0 4
375	6 15 0	0 4½	15 3 9	0 9½	2 5 0	0 1½	7 17 6	0 5
400	9 0 0	0 5½	18 0 0	0 11	3 15 0	0 2	9 15 0	0 6
450	13 10 0	0 7	27 11 3	1 2½	6 15 0	0 3½	20 5 0	0 11
500	18 0 0	0 8½	38 16 3	1 6½	9 15 0	0 4½	31 10 0	1 3

SINGLE PERSONS.

The Table shows the tax payable after deduction of the Personal Allowance (£100) and Earned Income Relief. The Taxpayer, however, may be entitled to further reliefs which would reduce the tax payable below the amounts shown in the table.

Total Income.	Existing Charge.				Proposed Charge.			
	If income all Earned Income.		If income all Investment Income.		If income all Earned Income.		If income all Investment Income.	
	Income Tax.	Effec- tive rate.	Income Tax.	Effec- tive rate.	Income Tax.	Effec- tive rate.	Income Tax.	Effec- tive rate.
£	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.	£ s. d.	s. d.
105	Nil	—	0 11 3	0 1½	Nil	—	Nil	—
110	"	—	1 2 6	0 2½	"	—	"	—
115	"	—	1 13 9	0 3½	"	—	"	—
120	"	—	2 5 0	0 4½	"	—	"	—
125	"	—	2 16 3	0 5½	"	—	"	—
130	0 9 0	0 1	3 7 6	0 6	0 6 0	0 0½	1 0 0	0 2
135	0 18 0	0 1½	3 18 9	0 7	0 12 0	0 1	2 0 0	0 3½
140	1 7 0	0 2½	4 10 0	0 7½	0 18 0	0 1½	3 0 0	0 5
145	1 16 0	0 3	5 1 3	0 8½	1 4 0	0 2	3 7 6	0 5½
150	2 5 0	0 3½	5 12 6	0 9	1 10 0	0 2½	3 15 0	0 6
160	3 3 0	0 4½	6 15 0	0 10	2 2 0	0 3	4 10 0	0 7
170	4 1 0	0 5½	7 17 6	0 11	2 14 0	0 4	5 5 0	0 7½
180	4 19 0	0 6½	9 0 0	1 0	3 6 0	0 4½	6 0 0	0 8
190	5 17 0	0 7½	10 2 6	1 1	3 18 0	0 5	6 15 0	0 8½
200	6 15 0	0 8	11 5 0	1 1½	4 10 0	0 5½	7 10 0	0 9
225	9 0 0	0 9½	14 1 3	1 3	6 0 0	0 6½	9 7 6	0 10
250	11 5 0	0 11	16 17 6	1 4	7 10 0	0 7	13 10 0	1 1
275	13 10 0	1 0	19 13 9	1 5½	9 0 0	0 8	19 2 6	1 4½
300	15 15 0	1 0½	25 6 3	1 8	11 5 0	0 9	24 15 0	1 8
325	18 0 0	1 1½	30 18 9	1 11	15 15 0	0 11½	30 7 6	1 10½
350	20 16 3	1 2½	36 11 3	2 1	20 5 0	1 2	36 0 0	2 0½
400	29 16 3	1 6	47 16 3	2 4½	29 5 0	1 5½	47 5 0	2 4½
500	47 16 3	1 11	70 6 3	2 10	47 5 0	1 10½	69 15 0	2 9½

ORDINARY REVENUE AND EXPENDITURE, 1935-36.

ESTIMATED REVENUE.				ESTIMATED EXPENDITURE.			
<i>Inland Revenue—</i>							
	£		£			£	
Income Tax	232,500,000			Interest and Management of National Debt ..		224,000,000	
Sur-Tax	51,500,000			Payments to Northern Ireland Exchequer			
Estate Duties	80,000,000			(including net share of reserved taxes) ..		6,750,000	
Stamps	25,000,000			Miscellaneous Consolidated Fund Services ..		3,700,000	
Excess Profits Duty ..	1,700,000			Post Office Fund		1,130,000	
Corporation Profits Tax ..				Total		235,580,000	
Land Tax, &c.	800,000						
Total Inland Revenue		391,500,000		<i>Supply Services—</i>			
				<i>Defence—</i>	£	£	
				Army	35,267,000		
				Navy	50,542,000		
				Air Force	20,245,000		
				Total		106,054,000	
				<i>Pensions</i>			
				Army	8,283,000		
				Navy	9,508,000		
				Air Force	405,000		
				Total		18,196,000	
				<i>Civil—</i>			
				I Central Government and Finance ..	2,003,000		
				II Foreign and Imperial ..	8,513,000		
				III Home Department, Law and Justice ..	17,051,000		
				IV Education	54,104,000		
				V Health, Labour, Insurance (including Old Age and Widows Pensions) ..	160,763,000		
				VI Trade and Industry	11,396,000		
				VII Works, Stationery, &c. ..	7,870,000		
				VIII War Pensions and Civil Pensions	45,990,000		
				IX Exchequer Contributions to Local Revenues ..	45,289,000		
				Total		352,979,000	
				Margin for Supplementary Estimates		4,000,000	
				<i>Tax Collection—</i>			
				Customs and Excise and Inland Revenue Votes (including Pensions, £1,046,000)		13,161,000	
				Total		494,390,000	
				Cost to Exchequer of restoration of cuts		4,000,000	
				TOTAL EXPENDITURE		733,970,000	
				Surplus		500,000	
				Total Revenue		£734,470,000	
<i>Customs and Excise—</i>							
Customs	188,570,000						
Excise	106,350,000						
Total Customs and Excise		294,920,000					
<i>Motor Vehicle Duties—</i>							
Exchequer Share		5,000,000					
TOTAL RECEIPTS FROM TAXES		691,420,000					
Post Office net receipt		11,850,000					
Crown Lands		1,330,000					
Receipt from Sundry Loans due to British Government		3,900,000					
Miscellaneous		25,970,000					
TOTAL REVENUE		£734,470,000					

Incorporated Accountants' Benevolent Fund.

The President of this Fund, Sir James Martin, desires to acknowledge with grateful thanks the following donations which have been forwarded to him in connection with the Society's Jubilee: Mr. F. Walmsley, J.P. (Past President), £67 10s.; Mr. C. M. Dolby (Past President of the Liverpool District Society), £26 5s.; Mr. A. A. Garrett, £25; Mr. W. Nicholson, C.C. (original member), £10 10s.; Mr. E. Van Dien, Amsterdam (Honorary Member), £10;

Mr. N. Duxbury, £5 5s.; Captain W. Marshall, £1 15s.; Mr. E. S. Goulding, £1 15s. Total, £148.

Personal.

Mr. David Morgan, Incorporated Accountant, Hull, headed the poll at the recent Municipal Election in the Central Ward of the newly formed Haltemprice division, in which there were six seats to be filled.

International Trade and International Agreements.

AN address given to the Liverpool Incorporated Accountants' District Society and Institute of Bankers by

DR. W. H. COATES, LL.B.

Dr. COATES said: We have hardly yet passed out of the season of the glad New Year, which brings us, as is natural, a considerable volume of self-congratulation, and, strangely, flattery by the foreign press. The Prime Minister in his New Year message has taken for his slogan the triple promise of improving trade, rising wages and increasing employment. There is no one that does not echo this wish.

But when all men speak well of us, that is the time to keep our heads. For generations we have found our greatest prosperity through international trade. Our manufacturing structure has been designed for its promotion. Our banking, financial and insurance mechanism has developed under this stimulus until it is matched nowhere else in the world. How do we stand *vis-a-vis* such an important element in our business activities?

During the three years to 1933, our balance of international payments with the world showed an adverse balance, although the position was improving, so that for 1933 we were almost on an even keel. In 1934 the evidence so far is that we have gone back. Our visible adverse balance of trade has risen from £258 to £285 millions. Notwithstanding a slight improvement in the freight index of about 4 per cent. and an increase in the employment of the volume of shipping, together with some measure of recovery in our overseas investment income, it is unlikely that our increased earnings on invisible account will make up the additional £27 millions.

The evidence of the sterling exchange during the year supports this view. The *Statist* index of the value of the £ in gold countries, taken at March, June, September and December last year, shows a fall as follows:—70—62, 69—62, 64—60, and 67—60. This represents a fall of about 10 per cent. on the year.

Our exports have expanded from £368 to £396 millions, or by 7.6 per cent. In gold values there is therefore a fall. In fact, the gold value of international trade as a whole is still decreasing. For 73 countries, representing about 98 per cent. of world trade, the position is as follows:—

*FALL IN GOLD VALUES, % ON 1929=100.

	1930	1931	1932	1933	1934
					(1st qr.)
Imports	18.5	41.7	60.7	65.0	66.3
Exports	19.9	43.1	61.7	64.7	65.9
Total	19.2	42.4	61.0	64.9	66.1

*New York Financial Chronicle, December 12th, 1934, page 3863.

In round figures, therefore, the value of world imports and exports is to-day one-third of what it was in 1929.

The reduction in volume is considerably smaller, for there the decrease from 1929 to 1933 is 25 per cent. That year for the first time marked a slight upward movement, compared with the preceding year.

This general figure, however, marks different rates of movement of volume for the three groups of commodities, namely, foodstuffs, raw material and manufactured goods. For manufactured articles there was a decline of some 41 per cent., but raw materials, staging an 8 per cent. recovery over the preceding year, were down by only

13.5 per cent., and foodstuffs showed a decrease of 16.5 per cent. The marked contrast between the movement in the case of manufactured products on the one hand, and industrial raw materials and foodstuffs on the other hand, is a reflection of the changes in prices of these respective classes.

Looking at the volume of world production, it is noteworthy that in agricultural production, and particularly that of crude foodstuffs, there has been a remarkable stability between 1928 and 1933. Industrial activity, on the other hand, contracted by 37 per cent. between 1929 and 1932, though it rose again by 14 per cent. in 1933.

The partial recovery from the depression which the world has seen has, therefore, been largely internal and has not extended to international trade. Our own remarkable recovery is of this nature. As a consequence, the depression in industry is unequally distributed over the country. In the homes of the basic export trades—in fact in the special areas—the great diminution in international business, affecting coal, iron and steel, shipbuilding and textiles, has created chronic unemployment. The tale of the distressed areas, in short, is the tale of the distress of international trade. With us the great internal improvement has been stimulated by the imposition of the tariff and the development of housing. We must note that many new capital developments here arising from the former course duplicate existing capital equipment and accentuate competition from abroad with us in the international market. Housing activity stands firmly based on several reasons, such as the social conscience, a low rate of interest, large unemployment in that industry, and the demand for public works.

We have to remember, however, that we cannot export houses or roads or public works, and that new capital equipment of this kind represents largely a solidification of current consumption of food and clothing. Finance may be primarily internal, but much of the food and raw material for these works must be imported, so that there is a secondary financial effect on the sterling exchange. Unless we can free international trade sufficiently to permit of our exports rising to meet our stimulated demand for imports, we shall continue to read in the foreign exchanges an index of our action.

Almost everyone is agreed that world activity will be depressed until international trade revives, until there is an end or a mitigation of trade barriers, until we attain again an international gold standard, and until there is such a return of confidence and stability that international lending becomes active once more. Because I believe that these ends must be achieved by means of international agreements, I chose the subject of "International Trade and International Agreements" for this evening.

INTERNATIONAL AGREEMENTS FOR THE CONTROL OF THE VOLUME OF PRODUCTION.

The chief external signs of the great world depression have been, in human terms, the large volume of industrial unemployment; in financial terms, the great fall in the price level; and in physical terms, the reduction in output of manufactured goods. Apart from the general fall in prices—for nearly all commodities have been affected by this phenomenon—there has been an exceptional or unequal fall in the case of the products of the primary, and specially agricultural, industries. Agriculture employs approximately half the population of the world and the agricultural population in particular inhabits countries which for development purposes

have incurred a large volume of debt to the industrial or creditor countries. In many cases the selling or exchange value of agricultural products has fallen so far that it has been insufficient to cover the cost of production—butter has been a notable example for three years—let alone leave a surplus out of which the farmer can maintain himself, and, in addition, meet his debt obligations. It is indeed doubtful whether in many countries the farming community as a whole was solvent during the years 1931-2. When the exportable agricultural products of a debtor country fall heavily in price, that country's balance of payments with the rest of the world is immediately and seriously upset. Against an aggregate fall in the value of exports there is no immediate decrease in the value of imports, especially when those imports are mainly of the manufactured kind. Stability of the exchange is immediately threatened. To correct this position, the first most obvious and most effective step is a drastic restriction or prohibition of imports by an increase of existing tariff rates and by special duties, such as primage and exchange surcharges. If these devices are insufficient, so that the exchange continues to fall, the abandonment of the gold standard and the old parity of exchange is inevitable. While this step gives no relief in respect of international debt obligations, it is of considerable assistance to the home producer for it raises prices in terms of his own currency. He gets an advantage against his home creditors. It has the further national advantage that it acts as an effective additional discouragement to imports, because the foreign exporter's price in terms of his own currency will be diminished *pro tanto* by the depreciation of the currency of the importing country. Even these measures, drastic though they may be, have in some cases been insufficient to yield the required favourable balance of trade for the discharge of international obligations. In that event, moratoria or defaults remain. The record of the South American countries, with one exception, provides ample illustration of this series of remedies.

In this lack of equilibrium of price between the two great respective classes of agricultural and industrial commodities, I find the significant element of the great depression. I do not minimise in any way the effect of unwise credit schemes, of wild speculation on financial markets, of ill-considered international loans, unremunerative public expenditure, or of over-hasty development of manufacturing organisations, such as have been seen in certain continental countries. In the main, however, these phenomena, like the phenomenon of agricultural prices, are in my view to be traced to the great economic dislocation caused by the war.

The necessities of war override all economic laws. Instead of the ordinary regulation of the price mechanism, working through the stimulus of profits, and the selection of activities arising from marginal principles and the law of substitution, there arises simply the necessity of self-preservation. In such circumstances, supplies are of primary importance and cost is relegated to the background. Tendencies towards a distortion of the pre-war distribution of productive resources arose immediately out of the war and were not corrected, but were indeed somewhat stimulated, by the necessities of restoration during the immediate post-war period. An examination of the statistics of the supplies of several main agricultural commodities shows that surpluses began to accumulate as early as 1926 and 1927. Production was out-running consumption. I need only mention wheat and sugar. Other commodities came into the same condition in later years, partly through the initiation of the

depression and partly through the eccentric conduct of nature, which just at the wrong period provided not merely abundant but excessive harvests.

The position which has developed has proved itself capable of no self-remedial action. Under the classical economic doctrine, an excess of supply leading to heavy falls in price should, on the one hand, contract supply by eliminating the high cost producer, and, on the other hand, stimulate consumption in order to iron out the disequilibrium. The price mechanism should be the automatic regulator, calling forth all the adjustments necessitated by changing conditions and keeping the capitalist system in a state of equilibrium. That this has not taken place is self-evident. In the first place, falling prices should restrict supply. The statistics prepared by the League of Nations show that over the period between 1929 and 1933 there has been no diminution in the volume of agricultural production. The partial failure of harvests in 1934 has been much more effective. Raw materials of non-agricultural origin, on the contrary, have shown a heavy reduction of 20 per cent. in production since 1929, while industrial activity up to 1933 had shrunk by 22 per cent. But agricultural products, particularly foodstuffs, stood practically stable. Why is this? The United States Year Book of Agriculture for 1934 throws a little illumination in regard to cotton. It states that when circumstances early in 1933 pointed to a worsening of the position—

"Growers felt driven, despite the dangerously low price of their staple crop, to increase the acreage devoted to it. They had no other crops to which they could profitably turn and the necessity to grow something for revenue was compelling. The low unit price of cotton obliged the farmers to think about having more units to sell. Accordingly they planted 40,798,000 acres of cotton, as compared with 35,939,000 acres harvested in 1932."

The same forces applied to other agricultural commodities. Above all, the necessity to meet debts provides a compelling motive not to diminish but to increase production when prices fall. Moreover, to alter the occupation of the farmer is no light task, and in countries where their numbers are great, the State itself cannot provide for the radical changes involved by abandonment of the land, neither can it permit such a loss of agricultural purchasing power without taking exceptional steps for its relief. So we have seen State schemes to counteract the effect of falling prices, through the valorisation of supplies, bonuses on production, export bounties, and other means. Among these latter alternatives have been special measures for the treatment of debts, variation of exchange rates, direct barter agreements, and so forth.

But none of these remedies has sufficed, for none has really touched the root of the problem. The gradual realisation of these truths has led to the promotion of international agreements for the restriction or regulation of production in cases where supply is out of balance with demand, and where there are not only very low prices but heavy stocks which make any recovery of price extremely improbable.

We are therefore moving slowly toward a wide network of international agreements for the control of the volume of production. More and more producers are realising that, working on the small scale that is usual in agricultural production, they are powerless of their own volition to effect any remedy in their circumstances and that the methods which have been fostered or adopted by the State only put off the day of final adjustment.

Yet there are many who still hold that such a policy is entirely mistaken. They would rely upon the ordinary functioning of the price mechanism, despite the fact that during the past few years it has proved a failure. They believe that, notwithstanding the sufferings of the unemployed, the tragedy of dislocation in industry and agriculture should be played to the bitter end, in the trust that the world will then be better off than it can possibly be by direct interference with production. They contend that methods of regulation of production are wrong because they are inevitably uniform, so that any restriction applies equally to the highest and the lowest cost producer alike, instead of the former only. Theoretically this is a defect, but in actual practice, those producers, whether industrial or agricultural, who are eliminated by falling prices and decreasing revenues are as likely to be those with the lowest financial resources as those with the highest costs. Moreover, I know no certain statistical technique which will rightly cost the various items of agricultural production.

There is also a fallacious tendency, when dealing with a surplus productive capacity for any commodity produced in different countries, to treat producers as though they were all related to the same monetary system, computing their costs in terms of the same monetary unit. With an international gold standard in operation this assumption might have some element of truth, but during the depression currency chaos and competitive exchange depreciation have changed the position. In these circumstances, no real basis of comparison exists between the monetary costs of various producers of a particularly commodity grown in different countries. To trust to the working of free competition to reduce productive capacity to an equilibrium with effective demand would tend to eliminate the producers in gold standard countries rather than those in paper standard countries, irrespective of a proper comparison in terms of efficiency or cost in normal circumstances. Rubber producers in the Dutch East Indies compute their costs in terms of gold, while in the British territories costs are reckoned in sterling. So far as sterling is under-valued in terms of the gold currencies, a competitive advantage accrues to sterling producers.

Finally, is the full operation of the price mechanism politically possible or socially desirable? Consider the case of wheat. Here the most notable development in the post-war period has been an expansion in output in Canada, Australia, the Argentine and United States, at greatly reduced cost, owing to improvements in technical efficiency. Many were not open to producers in the wheat-growing countries in Europe, so that during the depression these importing countries have been faced with an inflow of wheat at prices ruinous to the domestic producer. The industrial consumer was offered an immediate advantage, but European governments had to decide whether they could permit this cheap wheat to ruin their own agricultural people. Politically and socially that was not possible.

Other commodities in like case might be mentioned, but surely the conclusions are clear. *Laissez-faire*, the free operation of the competitive principle through the price mechanism, is impossible, both socially and politically. Reliance on a low price to stimulate consumption up to a point which will absorb an abnormal volume of production has been proved futile. The reactions of low agricultural prices upon industrial communities, the consequential spread of the depression through the world, and the resultant financial crisis have brought disaster, not the millennium.

Restriction and intervention have thus been inevitable, but they have not been adopted as the result of a considered policy upon a balanced scale or upon uniform principles with agreed measures of supervision based upon the interests of the world as a whole. They have been the result of pressure. They have come at different times, under different influences, and been formulated upon different models with varying schemes of management. It cannot, therefore, be claimed that they have all been wisely drawn up and ably conducted.

Schemes of regulation of the volume of production do, however, now operate in respect of a number of important primary commodities among which one may mention coffee, sugar, tea, wheat, cotton, rubber, copper, tin, zinc and petroleum. Time does not permit of my entering into details of the different schemes which have been adopted or of their individual results. Some have been more successful than others; while one or two have been almost fully effective, others have gone barely beyond their first tottering steps.

There is always a danger that unilateral action may prejudice the restricting country through the stimulation, almost automatically arising, of production elsewhere. The Stevenson rubber scheme for Ceylon and Malaya broke down under similar action by the Dutch producers.

It is my firm conviction that until the disequilibrium between agricultural and industrial prices is remedied, until the terms of international interchange between these two great classes of commodities is brought into a fairer relation, other schemes for the amelioration or cure of the world depression are only partial. Among such palliative measures may be mentioned bounties on exports, a highly protective internal price as against a low export price, schemes of public works, artificial settlement of more men in agricultural production, bilateral clearing agreements, exchange restriction, competitive currency depreciation, codes for the control of industrial conditions, inflation, artificial raising of the price of silver, whether or not connected with bimetalism, and policies of ultra or artificially cheap money.

The greatest service that responsible governments could render to the welfare of the world would be to come together to consider and adopt measures for remedial action in this field. I am aware that many industrial organisations, including that powerful body the International Chamber of Commerce, hold that schemes for the regulation of production should be both formulated and worked by people in the industry itself. Wherever production is in a limited number of hands, as is often the case with industrial commodities, I agree upon the desirability of that course. It is otherwise, however, with over-capacity in primary commodities, in which the field of production extends to the world and not to one country only. Here producers individually normally operate such small units of production that co-operative action between them, even in one country, is almost impossible. As between different countries, it is out of the question. Governments only can act effectively.

Recovery in agricultural prosperity is one of the most important steps towards rehabilitation of world trade. As the populations of the primary producing regions and countries are the great markets of the industrial peoples, general industrial and commercial revival will be impossible until agriculture again becomes remunerative. What is now needed is such a wide realisation by world statesmen of this need that they will actively co-operate towards the early conclusion of international primary product agreements.

INTERNATIONAL AGREEMENTS IN RESPECT OF
CURRENCY.

I have already indicated that there is a close connection between the distress of the agricultural countries and the debt or financial crisis. These agricultural countries are the debtor countries of the world and the price which their exports command in importing countries sets a measure to their capacity to meet their international debt obligations. It has, therefore, been inevitable that when these prices fell to an abnormally low level, the capacity of these agricultural debtor countries to meet their obligations became impaired. There followed, as I have indicated, the policy of exchange restriction, the abandonment of the gold standard, clearing agreements, compensation agreements, moratoria and defaults. Out of these circumstances has risen the disorganised condition of international moneys throughout the world.

A struggle is proceeding between the gold and the paper countries. In the former are to be counted France, Italy, Belgium, Switzerland and Holland, while the latter consists mainly of the sterling area and in some respects includes the United States, in that she has devaluated her currency by approximately 40 per cent. In those countries with fluctuating currencies, prices in terms of their own currencies have retained a remarkable stability; in fact, they have shown but a slight upward movement.

1929=100				
June				
	1932	1933	1934	
*U.K.	72	75	76	
Sweden	77	76	81	
Argentine ..	93	89	102	

But in the gold countries there is proceeding a steady process of deflation as indicated by the following indices:—

1929=100				
June				
	1932	1933	1934	
*France	68	64	60	
Belgium	60	60	55	
Italy	63	59	57	
Switzerland ..	67	65	63	

*New York Financial Chronicle, December 22nd, 1934, p. 3862. L/N. figures

Equally contradictory phenomena are to be observed in the rates of interest current at the present time and also in the tendency of employment or unemployment figures. The policy of cheap money adopted in the United States and in this country has led to short-term rates of interest of negligible amount. Even the long-term rates are very low. In the gold countries the opposite is the case. While we have a growing volume of employment, there is increasing unemployment in the gold countries. *Dr. Mlynarski has recently pointed out that currency depreciation or devaluation has a bilateral effect. In the home country it is inflationary in its nature, leading either to a maintenance of the currency prices or to an increase therein, but in the outside world it has a deflationary effect upon world prices. Demand on the world market is reduced but competitive export offers increase.

The tendency of economic pressure to lead to social and political disturbance and to crises of various kinds has been adequately demonstrated recently by events in France and Holland. In the field of industry, the pressure was illustrated by the failure of the great Citroen concern in France. In the financial field, the action of Italy in taking powers to acquire control over foreign assets provides similar evidence.

In his recent supplement to the *Economist* (January 5th),

*New York Financial Chronicle, December 22nd, 1934, page 3863.

Sir Henry Strakosch quotes a number of illustrative statistics on this subject. He shows, for instance, that in France the index of industrial production has fallen between 1931 and the third quarter of 1934 by 22 per cent. In Belgium it is 18 per cent., in the Netherlands 22 per cent., while in Italy it has risen by 9 per cent. On the other hand, in the sterling group, the United Kingdom has risen by 19 per cent., Sweden by a like figure, Denmark by 15 per cent., and Canada by 8 per cent. The indices of employment show a similar tendency. Insolvency has increased by 37 per cent. in France, 51 per cent. in Belgium and 43 per cent. in the Netherlands, as against decreases of 10 per cent. in the United Kingdom, 16 per cent. in Sweden and 39 per cent. in Denmark.

Sir Henry points out that the divergence between the movement of wholesale prices and the cost of living is widely different for these two groups of countries. And he holds that there is no remedy other than devaluation in the gold countries to bring internal prices and costs into equilibrium. But the gold countries will not devalue or take any other marked action in relation to their currencies, assuming that there is no political or social crisis, until they know more definitely the position of the pound and the future course of the dollar. Our position in this country is somewhat similar, except that we talk of the franc and the dollar. Mr. Chamberlain, speaking just before Christmas on the Motion for the Adjournment, said, in regard to the stabilisation of the £:—

"The real difficulty of the situation which we ourselves are unable to control is that the dollar and franc are not in harmonious relations with one another. The pound stands between the two, it is dear in terms of the dollar, but not so dear as the franc. It is weak in terms of the franc, but not so weak as the dollar."

The *New York Times*, December 27th, 1934, in commenting in a leading article on this speech, observed that statesmen were alike in saying that when the other fellow did something they might think about it, but went on to point out that, after all, the franc was on gold and so tentatively was the dollar—so the burden of proof in regard to responsibility for action would seem mainly to fall on Great Britain.

The British case, however, is somewhat more powerful than that, for it is difficult to believe that the gold countries would be content to stabilise on the present rates of exchange with the £, and they, like us, are very uncertain of the dollar.

The President's monetary policy has been largely governed by the agricultural situation, that is, by the conflict between prices and debts. On a pre-war basis of 100, the price of agricultural products in the United States stood in the first quarter of 1933 at an index of 50, whereas the commodities purchased by the farmers stood at an index of 104. By the third quarter of that year these indices had altered to 73 as against 111, and by the third quarter of 1934 to 87 as against 125. In other words, the index of the purchasing power of the farmer stood as low as 50 per cent. of the pre-war relation, in the first quarter of 1933, and had risen by the subsequent date stated, first to 65 per cent. and then to 71 per cent.

Notwithstanding his various measures, and the substantial rise in dollar prices which has taken place in the last two years, there is still a large and vociferous demand for more inflationary measures. Those who support the cash payment of the soldiers' bonus are pressing their case, although the President is understood

to disapprove of that course. I was recently told by an acute observer who had been three months in the United States that he feared further inflation was inevitable. As you know, existing legislation empowers the President to reduce still further the gold content of the dollar, so bringing it down from its present level of about 60 per cent. of the old parity to 50 per cent.

There is little doubt in my mind, therefore, that the first step towards stabilisation must come from America. On the exchanges, the dollar is over-strong and the recent large imports of gold tend to show that the rising excess of exports over imports still leave the United States faced with a large favourable balance of payments. But if America could resolve her difficulties and turn to stabilisation, an agreement between that country, Great Britain and France might well lead the world once more back to an international gold monetary basis. In any such agreement, I anticipate that France, as the leader of the gold countries, would devalue. The sterling bloc and the United States are at a level of some 40 per cent. below the previous gold parity. France might not wish to come down the whole way, but if her economy is to be put once again into balance she will need to move a considerable distance towards this point. Other countries in the sterling area will follow Great Britain, and it seems probable that other countries on gold will follow France. Such an agreement, therefore, between these three leading countries would rapidly extend over a very much wider area. Only the Japanese would be left at a large currency advantage, for the yen has depreciated some 64 per cent. In her present mood it is hopeless to anticipate that Japan would participate in such an agreement, but in my view it would be a pity to hold back merely because Japan would not play.

Undoubtedly such an agreement for stabilisation should be accompanied by a more widespread formulation of the principles upon which the gold standard in future should be worked. Such principles have been fairly well developed by the experts to the World Monetary and Economic Conference and also by the Conference itself. If there is not international agreement for this purpose, there is serious danger of a gold inflationary boom, with later and equally stubborn depression.

INTERNATIONAL INDUSTRIAL AGREEMENTS.

Under this head I class agreements of an international nature made between industrial producers themselves, normally without any government intervention. They have been developed under the pressure of tariffs, which, providing a secure home market for the products of a national industry at a price which can be held somewhat above the normal competitive equilibrium, permits, if it does not encourage, cut-throat competition abroad upon dumping lines. So long as Great Britain was a Free Trade country we suffered in particular from this form of competition. As the depression has progressed, the fall in industrial prices—largely resultant from the fall in agricultural prices—tended to bring large industrial interests in different countries still more closely into contact with the consequential development of this type of agreement. Broadly speaking, subject to their equitable treatment of the consumer, such agreements have every justification.

International industrial agreements must, however, necessarily be based upon national organisations. In each case there must be some body which can speak for the particular nation, unless it chances that in the industry concerned there is one dominant or leading concern, whose interests are so large or so powerful that other smaller concerns are content to follow its lead and accept its decision. Such cases are, however, rare.

One of the grave defects of British industry in the past has been the absence of national organisations of this kind, so that Continental industrialists with better organised representative bodies have felt unable to come to broad agreements with British industry, inasmuch as there was no body in this country which could speak authoritatively for the whole body or the major number of producers. In some respects that is still the case. Notable instances are the cotton industry and the iron and steel industry. Attempts are, however, now being made to remedy this disadvantage and they have, it is understood, in most cases the general support of H.M. Government. Now that British industry is protected, it has a duty to the country as a whole, so to organise itself as to be able to secure and maintain that position in the international market which is justified by its competitive power taken as a whole. The chemical industry has long been a believer in such international industrial agreements, and one of which my chairman has recently spoken is the international agreement for pooling all the patent knowledge in relation to the hydrogenation of coal. Agreements of this kind are based upon co-operation rather than upon competition, although competition in quality and service plays its part in that these agreements are normally for a limited period and, when they come to be renewed, the history of preceding years is an important element in determining the new structure.

BILATERAL INTERNATIONAL AGREEMENTS.

Time does not permit me to speak in any detail of bilateral government agreements such as those which are now being busily conducted by H.M. Government, and of which concluded instances are those made within the Empire at Ottawa, those with Denmark, Norway, Sweden, Finland, Esthonia and so forth. All such agreements contribute something towards the increase or restoration of international trade, but by their nature they seem likely only to touch the fringes of this great problem. They are somewhat poor substitutes for the work that industry ought to do for itself.

Because they are normally bilateral, they must interfere with the wider interests of triangular trade, which is of dominant importance to countries whose exports are limited to one or two commodities, e.g., Brazil and her coffee or Great Britain with her large shipping and investment interests. The Brazilian arrangements for allotting exchange, for instance, according to other countries' purchases of coffee, leave us in a very weak position, for we are small buyers of that product. On the other hand, we export a considerable volume of goods to Brazil, and if we are not to be paid for them, that trade is likely to suffer severely.

Moreover, bilateral agreements being necessarily of a detailed nature, take a considerable time to negotiate. Although we have now been off the gold standard and had a tariff for some three years, we have been unable to conclude them over a really wide field. In part, this is because it is easier to make them with countries whose trade is complementary to ours and much more difficult to make them with countries whose trade is really competitive.

When you look at the specific products in respect of which concessions are provided in such agreements as have been made, you will, I think, be struck by the unrelated nature of the different products. Each country picks out those goods in respect of which it hopes to get the greatest advantage.

Another disadvantage is that it may be necessary on general grounds to make concessions which will hit a

particular industry, although that industry, relying on the existing protection, may have entered into capital commitments, not likely to be remunerative under a lower rate of duty. It is difficult to see how this trouble can be avoided, for negotiations of this kind clearly must be secret, as their disclosure would immediately stimulate every industrialist whose interest might be diminished, to protest loud and long against the course of action proposed.

Such agreements also in some cases infringe the spirit of the most-favoured-nation clause, for I find it difficult to conceive how it is possible to promise to give at least 60 per cent. of your imports of any particular commodity to two different countries in the same year. Yet the M.F.N. clause promises that there shall be no discrimination. However, that clause is riddled to-day with practices which defeat its spirit. Not until the present difficulties have been largely removed and international trade restored is it likely to come into its own again.

CONCLUSIONS.

Broadly speaking, you will have gathered that I am a strong supporter of international agreements. To-day the world is so small, the contacts between the different parts are so close, facilities of communication and transport are growing apace, that it is impossible to conceive of the world as a large number of widely-separated units with interests only touching those of other parts in a small measure. To-day more and more we are members of one body, and must act as such.

Modern opinion disapproves of fighting to settle one's differences, and, to my mind, the wealth of the world is most likely to be enhanced by agreements between those upon whom the burden of productive supply falls, than by ruthless competition waged against the foreigner. International trade in 1933 had shrunk to 35 per cent. of its 1929 gold value. As a result, unemployment still stalks the wide world over. We all of us have a duty to do what we can to remove these evils. International agreements are the proper mechanism.

As I see it, the first and great problem is co-operation on a world scale for the purpose of raising primary prices. Mr. Chamberlain himself endorsed this view, for at the bankers' dinner in October, 1933, he said if only primary prices could be raised, agricultural countries could balance their budgets, pay their debts, restore their credit, and their purchasing power would be given back to them. There was no method, he added, so certain and so rapid in its operation, for the purpose of raising the prices of these primary commodities, as the control of production and the proper adaptation of supply to demand where that could be effected by international agreement as had recently been attempted in the case of wheat. But unfortunately individual statesmen in different countries content themselves with statements of this kind and take insufficient steps to promote such international agreements over a wide field. When they have made it possible for the agricultural countries to pay their debts and get back their credit worthiness, then, and only then, will it be possible to tackle in earnest the second great problem of the stabilisation of international currency, and the removal as a third step of the dreadful forest of quotas, clearing arrangements, exchange agreements, blocked currencies, higher tariffs, and so forth, which are destroying the operations of the international trader. When that credit worthiness is restored then once again, as the fourth and final step, international loans may be forthcoming, setting free the present mass of idle funds to fertilise the fields of international productive effort. In short, the way of the statesmen of the world is clear

before them. But national differences of courage, of approach, of belief in the future, of ideals, to say nothing of their preoccupations with the distress in their own countries, stand in the way. Five years should have been sufficient to teach us that palliatives only prolong the agony of the patient, and that until fundamental evils are attacked, then fundamental results will not be achieved.

District Societies of Incorporated Accountants.

BELFAST.

ANNUAL REPORT.

The total number of members is 206, consisting of 18 Fellows, 66 Associates, and 122 student members, as compared with a total membership of 194 last year.

EXAMINATIONS.

The examinations of the parent body were held in May and November in the Central Hall, Municipal College of Technology, Belfast. Twenty-three candidates entered for the May examinations and twenty-two in November. Seven candidates succeeded in passing the examinations in May and ten in November.

ANNUAL DINNER.

The annual dinner of the Society was held in the Grand Central Hotel, Belfast, on December 3rd, and was a most enjoyable function, a record number of members and guests being present.

STUDENTS' SOCIETY.

The annual meeting of the Students' Section was held on September 12th, 1934. The following Officers and Committee were elected for the session: President, Mr. W. Keith, A.S.A.A.; Vice-President, Mr. H. Andison, A.S.A.A.; Hon. Secretary, Mr. L. McCullough; Hon. Treasurer, Mr. H. McMillan, A.S.A.A.; Committee: Messrs. J. W. Baird, W. R. Ford, W. C. Lutton, T. A. Leonard, W. Smyth, W. H. Palmer, J. J. Morrow, N. Rea, J. D. Templeton, N. Stephenson and V. H. Lennox.

Mr. W. Keith and Mr. H. Andison were elected as the representatives of the Students' Society on the Committee of the District Society.

A most successful dance was held on February 26th, 1935, under the auspices of the Students' Section.

MEETINGS.

The following meetings were held during the year:—

"The Accounting Provisions of the Companies Act (Northern Ireland), 1932," by Mr. E. Westby Nunn, B.A., LL.B.

Students' Meeting. "Double Taxation Relief," by Mr. W. H. Palmer.

"The Current Revaluation of Northern Ireland," by Mr. W. Robson, Commissioner of Valuation.

Students' Night. "Essentials of an Audit," by Mr. D. T. Boyd, B.Com.Sc., F.S.A.A.

Students' Meeting. "Winding-up of Companies," by Mr. W. Keith, A.S.A.A.

"Modern Development of Fire and Loss of Profits Insurance," by Mr. A. Wilson.

Students' Meeting. Debate.

Students' Meeting. "Statistics," by Professor Lloyd-Dodd, M.A.

"Credit Reform," by Mr. R. N. McNeill, D.L.

Students' Meeting. "Foreign Exchange," by Mr. W. Knox, Manager, Foreign Exchange Dept., Ulster Bank, Ltd.

Students' Meeting. "Death Duties," by Mr. A. H. Elliott, LL.B.

GOLF COMPETITIONS.

The Annual Golf Competition for the Booth Cup was held at Portrush, on May 17th. The Booth Cup and Prize presented by Mr. Robert Bell was won by Mr. W. J. M. Stewart, the runner-up prize presented by Mr. J. H. Allen, being won by Mr. H. Andison. In the afternoon, a nine-hole Consolation Stroke was held, the winner being Mr. J. H. Allen.

On September 10th a match was held at the Cliftonville Golf Club between teams representing His Majesty's Inspectors of Taxes and the members of this Society.

The Autumnal Golf Competition for the Allen Cup was held at Shandon Park on September 24th, and won by Mr. W. J. M. Stewart. The runner-up prize was won by Mr. E. C. Comerton.

COMMITTEE.

In accordance with the rules, one-third of the elected members of the Committee retire, and the members retiring under this rule are Mr. James Baird, Mr. R. Bell, Mr. N. Booth, Mr. J. Boyd and Mr. J. S. White, who are eligible and offer themselves for re-election.

Early in the year the Committee considered the question of the varying rates of wear and tear on motor-cars allowed by the local Inspectors of Taxes, and appointed a deputation to interview the Chief Inspector of Taxes on this matter. The deputation was accompanied by Mr. M. R. Witham, Secretary of the Chamber of Commerce, and received a most courteous hearing from Mr. J. Thompson, Inspector of Taxes. A standard allowance on motor-cars is now being attained in all districts. The thanks of the Committee are accorded to Mr. J. D. Thompson for the active part he took in connection with this matter, and for bringing this question to the attention of the Chamber of Commerce.

Mr. J. D. Thompson continues to act as the Society's Representative on the Chamber of Commerce; and Mr. D. T. Boyd represents the Society on the Court of Referees of the Ministry of Labour.

NOTTINGHAM.

At a luncheon held at the Reform Club, Nottingham, on March 19, Mr. Fred Prior was the guest of honour, and a presentation was made to him on his retirement as President of the Incorporated Accountants' District Society of Nottingham, Derby and Lincoln. This took the form of a silver salver suitably inscribed. Mr. H. R. Horne, M.C., F.S.A.A., said that it gave him very great pleasure as President to make the presentation, and referred to the very valuable services Mr. Prior had rendered to the Society and its members from 1928 to 1934.

Mr. Prior, in responding, said that whatever he had been able to do for the welfare of the Society had always given him great satisfaction, and he hoped that he would be able to assist still further in the future.

SOUTH WALES AND MONMOUTHSHIRE.

(CARDIFF AND DISTRICT STUDENTS' SECTION.)

The last meeting of the session 1934-35 was held on March 28th, and took the form of a visit to the General Post Office, Cardiff, by a party of 25.

On entering the Post Office, the members and their friends were conducted to the Conference Room. Here they were received by the Assistant Postmaster, who

briefly outlined the nature and scope of the tour of inspection, and mentioned several interesting features in connection with the Cardiff Post Office. The party then divided into three groups, each group visiting in turn the Sorting Office, the Telegraph Room and the Telephone Exchange.

In the first of these departments, the method of dealing with the outgoing mails was explained in detail. The sorting of letters—first the primary sorting into geographical districts and later the secondary sorting in the various bags or "roads," e.g. North Road, London forward road, West of England road, &c.—was followed with considerable interest. The members were also shown the post-marking or stamp-obliterating machine which can deal with as many as 600 letters per minute. It was stated that about a quarter of a million letters pass through the sorting office daily.

In the Telegraph Room, members were fascinated with the operation of the "teleprinter" machines. Messages typed on these machines are transmitted immediately to the place of destination, where they re-appear in type on a strip of gummed tape, which has merely to be affixed to the telegram form in readiness for delivery. Other points of interest included the phonogram room—in which messages are received from or transmitted to telephone subscribers verbally—and the communication tables linking the Telegraph Room with other parts of the Post Office building and with the various sub-post offices in the city.

The Telephone Exchange also proved to be of absorbing interest. Both the local and trunk line exchanges were inspected and their mode of operation fully explained. Mention was made of the new "on demand" system for trunk calls. By means of direct lines connecting Cardiff with all the principal centres in England and Wales, subscribers are now enabled to speak to any of these towns without having to wait while connections are made through intervening exchanges. The results of the recent reduction in the charge for trunk calls between 7 p.m. and 5 a.m. to 1s. were clearly evidenced by the fact that several operators were busily engaged on the trunk line exchange.

At the conclusion of the tour the three groups of members re-assembled in the Conference Room. The Chairman, in proposing a vote of thanks said they had spent a very enjoyable and instructive evening. He felt, also, that their time had been profitably spent, since they had learnt something of the vast organisation of the Post Office and the working of its various departments. The vote of thanks was seconded by the Vice-Chairman and carried with acclamation.

The Assistant Postmaster briefly responded and conveyed the best wishes of the Head Postmaster (Mr. H. C. A. White) to all present.

Professional Appointments.

Mr. A. V. Huson, A.S.A.A., has been appointed Accountant to the Metropolitan Water Board and Registrar of "A" and Debenture Stocks, as from August 1st, 1935, in succession to Mr. G. M. Jennings. Mr. Huson is at present Deputy Accountant to the Board.

Mr. Henry E. Fairbank, A.S.A.A., Senior Assistant in the Finance Department, Lewisham Borough Council, has been appointed Deputy Borough Treasurer to the Council.

Society of Incorporated Accountants and Auditors.

South African (Western) Branch, Cape Town.

ANNUAL MEETING.

The ninth annual general meeting of the South African (Western) Branch was held at Cape Town on April 4th.

The Chairman (Mr. C. D. Gibson) expressed the hope that more advantage would be taken of the opportunities open to articled clerks to qualify simultaneously for membership of the Society of Incorporated Accountants and of the local Society.

The results of the examinations for the year showed a drop in the percentage of passes. In the November examinations, however, 50 per cent. of the candidates had been successful in the Final and 74 per cent. in the Intermediate. In the Intermediate, Mr. R. G. Ross, Kimberley, was bracketed for First Certificate of Merit, and Mr. E. Eliasov, Bloemfontein, bracketed for Second Certificate of Merit.

The usual donation of twenty guineas had been voted by the Branch to the Benevolent Fund, and it was pleasing to note the names of several members in the list of individual subscribers. He earnestly commended the Fund as extremely worthy of support.

A Government Commission had been appointed to take evidence and report on the question of registration for the accountancy profession. Evidence was given by the Chairman of the Branch in accordance with the resolution of the Committee, passed after long and careful consideration and after consultation with London and the other South African committees.

They met that day under happy circumstances to celebrate the 50th anniversary of the foundation of the Society, their function coinciding with a similar one in London and, he believed, in Johannesburg. He had forwarded a cable to London on behalf of all members of the Branch, conveying their good wishes and congratulations. He was delighted to welcome some who had been members almost since the formation of the Society. He particularly referred to Mr. Philip Salisbury, who became a member in 1891, and to Sir Alfred Hennessy, who joined in 1906. Sir Harry Hands, a member since 1905, was unfortunately unable to be present, but sent his good wishes and greetings. To these stalwarts, and to many who had passed over, the Society owed much, and he felt sure that the future would be safe in the hands of the younger generation.

The Chairman then moved the adoption of the balance sheet and accounts for the year 1934. This was seconded by Mr. K. C. M. Hands, and carried unanimously.

Mr. C. D. Gibson proposed, and Mr. G. Hadfield seconded, the re-election of Mr. H. J. Notcutt, A.S.A.A., as auditor for the year 1935. Mr. Notcutt was unanimously re-elected.

The Chairman stated that as no nominations had been received, he declared Mr. C. D. Gibson, Mr. G. Hadfield, and Mr. A. C. Sargeant duly elected to the Committee for a period of three years.

Mr. Philip Salisbury proposed a hearty vote of thanks to the Committee for all the hard work they had put in during the past year. This was duly seconded and carried with acclamation.

Mr. J. Douglas proposed a vote of thanks to the Chairman. This was carried with acclamation, and Mr. Gibson briefly replied.

LUNCHEON.

The business meeting was followed by a luncheon. A cable from London was read as follows: "President members of Society convey greetings to Cape Town members on the occasion of luncheon to celebrate fiftieth anniversary." Telegrams of greetings were also received from the Northern and Eastern Committees, to whom similar telegrams had been sent from Cape Town.

The Chairman, in a short and happy speech, proposed the toast of "The Society," coupling with it the name of the President, Sir James Martin. The toast was received with enthusiasm.

Reviews.

Snelling's Practical Income Tax. 13th Edition. By C. W. Chivers. London: Sir Isaac Pitman & Sons, Ltd., Parker Street, Kingsway. (182 pp. Price 3s. 6d. net.)

This little book contains condensed information on a great variety of subjects relating to Income Tax and Sur Tax, including such matters as change of employment, salaries free of tax, residence, employment abroad and discontinuance of business. In many cases examples are given showing the working out of the figures. The matter is well classified, and the explanations are clear and concise. In a schedule at the end of the book the rates of depreciation agreed by the Board of Inland Revenue in relation to different trades and industries are set out.

Status and Duties of Secretaries and Directors. 11th Edition. By Herbert W. Jordan and Stanley Borrie. London: Jordan & Sons, Ltd., Chancery Lane, W.C. (138 pp. Price 3s. 6d. net.)

The duties of directors and secretaries of limited companies are briefly summarised in this publication. The status and qualifications of directors are first discussed, following which are chapters relating to share allotments and transfers, meetings of shareholders, special and extraordinary resolutions and increase of capital; also a chapter on mortgages and charges and schedules of documents required to be lodged with the registrar (a) in the case of public companies only, and (b) in the case of all companies whether public or private. The book is a useful one for directors and secretaries to have for reference.

Rates and Rating. 8th Edition. By Albert Crew, Barrister-at-Law. London: Sir Isaac Pitman & Sons, Ltd., Parker Street, Kingsway, W.C. (510 pp. Price 12s. 6d. net.)

In this edition the author has taken an opportunity of revising the whole of the text and of including the leading rating cases which have recently been decided in the Courts. Note has also been taken of the recent Statutory Rules and Orders and of the resolutions passed at the London Assessment Conference held in 1934. The book contains full information on all matters relating to rating and rates, and is regarded as a standard work on the subject.

Student's Note Book of the Elementary Principles of Commercial Law. By John D. Berbiere, M.A., LL.B. London: Macmillan & Co., Ltd., St. Martin's Street, W.C.2. (80 pp. Price 3s. net.)

This does not profess to be a text-book on Commercial Law but merely a notebook for the use of students, the substance matter being for the most part tabulated. The text is printed on the left-hand pages, leaving the right-hand pages for the purpose of notes. The classification includes offer and acceptance, form and consideration, capacity of parties, discharge of contract, assignment of

contract, and agency. In many instances references are given to cases bearing on the subject.

Copy Income Tax Returns. London: Gee & Co. (Publishers), Ltd., 6, Kirby Street, Hatton Garden, E.C.1. Price 3d. each or 2s. 6d. per dozen.

The idea of this Copy Return Form is that it makes provision for any one of the Income Tax returns, whether under Schedule D or Schedule E, and thereby obviates the necessity of having different forms on which to retain copies of the various classes of returns. There is also included a *pro forma* computation containing the items usually required to be adjusted, and blank spaces for inserting those of a special character; provision is likewise made for deduction of wear and tear and the various abatements and allowances relating to earned income and children, etc., but there seems to be nothing in the nature of a reminder as to unexhausted wear and tear or losses carried forward. The final page is devoted to an apportionment amongst the partners of the tax payable by a firm, giving the usual adjustments required for that purpose. Apart from the convenience of having a form which applies in all cases, the adjustment and apportionment notes will be found useful as reminders.

QUESTIONS IN PARLIAMENT.

Old Age, Contributory, and Widows' Pensions.

On April 15th in reply to a question by Mr. Tinker, the Financial Secretary to the Treasury stated that the annual extra cost of increasing old age, contributory and widows' pensions by 5s. a week would be at the present time:—

Old Age Pensions (including Blind Persons' Pensions) under the Old Age Pensions Acts, 1908-1924	£21,800,000
Contributory Pensions to persons between the ages of 65 and 70	£9,600,000
Widows' Pensions	£10,100,000
	£41,500,000

On April 17th, in answer to a question by Mr. Leckie, the Financial Secretary to the Treasury said he estimated that the net cost of granting pensions of 10s. a week to all persons over 60, after allowing for offsets in respect of pensions already payable and unemployment benefit and allowances, would approximate to an additional annual charge of £70,000,000.

Taxation.

On April 18th, in reply to a question by Mr. Tinker, the Financial Secretary to the Treasury furnished the following particulars as to the percentage of indirect and direct taxation:—

Financial Year.	Direct Per Cent.	Indirect Per Cent.
1924-5	66.93	33.07
1930-1	65.77	34.23
1932-3	60.97	39.03
1934-5	59.86	40.14
1935-6	59.77	40.23

(Budget estimates)

Building Society Interest.

A number of the leading building societies have announced their intention of reducing the rate of interest charged to all new borrowers purchasing dwelling-houses for their own occupation, from 5 per cent. to 4½ per cent. In one case the reduction is to be extended also to existing borrowers, but in the case of other societies this is still under consideration.

Scottish Notes.

(FROM OUR CORRESPONDENT.)

The Society's Jubilee.

The Jubilee Celebrations in London were attended, on behalf of the Scottish Branch, by the President, Mr. Robert T. Dunlop, the Secretary, Mr. James Paterson, and Mr. P. G. S. Ritchie, member of the Scottish Council.

Savings Bank Bonus.

An unusual method of recognising the completion of one hundred years of business has been adopted by the Annan (Dumfriesshire) Savings Bank.

The Bank was founded in 1835, and the Directors decided that it would be fitting and proper to pay to the depositors for this centenary year 1 per cent. interest in addition to the interest at the rate of 3½ per cent. which would have been paid in the ordinary course, making a total of 4½ per cent. The total funds of the Bank amounted to £531,427, and the number of depositors was now 4,679.

A Municipal Bank to Close.

Selkirk Municipal Bank, Ltd., is voluntarily going into liquidation. There is no question of the bank being insolvent. The Bank was set up about nine years ago, and it has been successful in its operations. There was a balance of between £30,000 and £40,000 last year.

The Directors of the Bank are members of the Town Council, and, in taking this step, they have been influenced by several reasons. One of these is the recent prohibition preventing Glasgow Corporation from carrying on a bank in municipal buildings. As Selkirk Town Council has carried through its banking operations in premises belonging to the municipality, the directors of the Bank feel that they are not prepared to take the risk of any possible legal action.

The fact that the Burgh Chamberlain, who was manager of the Bank, has resigned, and that when the Bank was set up loan interest was high but now it is found that the town can borrow money at a rate which does not warrant the continuance of the Bank for that purpose, no doubt contributed to the Town Council coming to the decision to close the Bank and repay the depositors.

An Unusual Liquidation.

A somewhat unusual action was recently taken by the Lord Advocate in a Petition presented to the Court of Session on behalf of the Board of Trade, asking the Court to order that the Anglian Insurance Company, Ltd., of 144, St. Vincent Street, Glasgow, be wound up under the provisions of the Companies Act, 1929. The Petition stated that the company was formed and registered about 6 years ago under the Companies Act. It was formerly known as the Omnibus & General Insurance Company, Ltd. The share capital was £100,000, divided into 500,000 shares of 4s. each. Calls amounting to £38,000 had been received by the company. The business of the company was wholly that of motor insurance.

The Lord Advocate maintained that the company was insolvent at the date in question, that it was unable to pay its debts within the meaning of Secs. 168 and 169 of the Companies Act, 1929, and that it should be wound up. Mr. R. H. Ballantine, C.A., Glasgow, was appointed provisional liquidator.

Authorities empowered to issue Road Fund licences will be unable to accept certificates of insurance issued

by the Anglian Insurance Company, Ltd., as evidence of insurance against third-party risks, and applicants for such licences should take immediate steps to obtain certificates of insurance issued by some other insurer.

Notes on Legal Cases.

[The abbreviations at the end of each of the cases refer to the following law reports, where full reports of the case may be found. The Law Reports and other reports are cited with the year and the Division, e.g. (1925) 2 K.B. :—

T.L.R., *Times Law Reports*; *The Times*, *The Times Newspaper*; L.J., *Law Journal*; L.J.N., *Law Journal Newspaper*; L.T., *Law Times*; L.T.N., *Law Times Newspaper*; S.J., *Solicitors' Journal*; W.N., *Weekly Notes*; S.C., *Session Cases (Scotland)*; S.L.T., *Scots Law Times*; I.L.T., *Irish Law Times*; J.P., *Justice of the Peace (England)*; L.G.R., *Knight's Local Government Reports*; B. & C.R., *Bankruptcy and Company Cases*.

The other abbreviations used in modern reports are H.L., House of Lords; A.C., Appeal Court (House of Lords and Privy Council); C.A., Court of Appeal; Ch., Chancery Division; K.B., King's Bench Division; P., Probate, Divorce and Admiralty Division; C.S., Court of Session (Scotland); J., Mr. Justice (King's Bench or Chancery); L.J., Lord Justice; L.C., Lord Chancellor; M.R., Master of the Rolls; N.I., Northern Ireland; P., President of Probate, Divorce and Admiralty.]

COMPANY LAW.

Royal Exchange Assurance v. Walker. *Amalgamation of a Company.*

Eve, J., held that a scheme whereby the capital of various companies is acquired by a holding company is not an amalgamation within sect. 10 (3) of the Trustee Act, 1925.

(Ch.; 1935, L.J.N. 223.)

REVENUE.

De Trafford v. Attorney-General. *Annuity Charged upon Settled Estates.*

The House of Lords dismissed an appeal from a decision of the Court of Appeal (see *Incorporated Accountants' Journal*, October, 1933, p. 46), and held that where an annuity payable during the life of a tenant-for-life is charged on settled property, no allowance falls to be made for it on the death of the tenant-for-life.

(H.L.; 1935, L.J.N. 222.)

Salmon v. Weight.

Director purchasing Shares at Par.

A managing director of a company was, by reason of special services rendered to the company, and pursuant to resolutions to that effect passed by the directors, authorised to purchase a number of the company's "A" Ordinary shares at the par price of £1 each, the market value of which was at the time he acquired them much higher.

It was held by the House of Lords that the excess value accruing to him was subject to income tax as coming within the words "or profits whatsoever" in rule 1 of Schedule E of the Income Tax Act, 1918.

(H.L.; 1935, 51 T.L.R. 333.)

Birmingham Corporation v. Barnes.

Depreciation of Tramways.

A local authority received from outside sources sums for expenditure towards the cost of a new tramway and

the reconstruction of certain tramways. The Revenue authorities each year granted the corporation allowances under rule 6 (1) of the rules applicable to Cases I and II of Schedule D for wear and tear on the basis of the sum actually expended and of the agreed life of the tramways—which was computed at 12 years. In the year under appeal the aggregate of the allowances granted over the whole period, while not exceeding the total amount expended by the corporation, did exceed the total amount expended less the contributions received from outside sources.

It was held by the House of Lords, reversing the decision of the Court of Appeal (see *Incorporated Accountants' Journal*, April, 1934, p. 270) that the words "actual cost" in rule 6 (6) bore no relation to the source from which the money expended was received, and that the sums obtained from outside sources did not diminish the actual cost of the tramways to the corporation.

(H.L.; 1935, 51 T.L.R. 293.)

Simpson v. Grange Trust, Limited.

Expenses of Management.

By sect. 33 (1) of the Income Tax Act, 1918, where any company whose business consists mainly in the making of investments, and the principal part of whose income is derived therefrom, claims and proves to the satisfaction of the Special Commissioners that for any year of assessment, it has been charged to tax by deduction or otherwise, and has not been charged with respect of its profits in accordance with the rules applicable to Case 1 of Schedule D, the company shall be entitled to repayment of so much of the tax paid by it as is equal to the amount of the tax on any sums disbursed as expenses of management (including commissions) for that year. But by proviso (a) relief is not to be given under the section so as to make the tax paid by the company less than the tax which would have been paid if the profits had been charged in accordance with the said rules.

It was held by the House of Lords, affirming the decision of the Court of Appeal (see *Incorporated Accountants' Journal*, December, 1934, p. 108), that proviso (a) does not apply to a company which is not capable of being assessed under Case 1 of Schedule D.

(H.L.; 1935, 51 T.L.R. 320.)

Astor v. Perry.

Tax on Foreign Income.

The appellant, who was a British national resident in the United Kingdom, became entitled to certain American stocks and shares which he transferred by a settlement to an American Trust Company on trust to pay the income to him for life. Under the settlement the appellant had no proprietary interest in either the corpus or the income, his sole right being a right in equity to enforce performance of the trust. There was in the settlement a provision, which was valid, reserving to the appellant a power of revocation. The power had not been exercised.

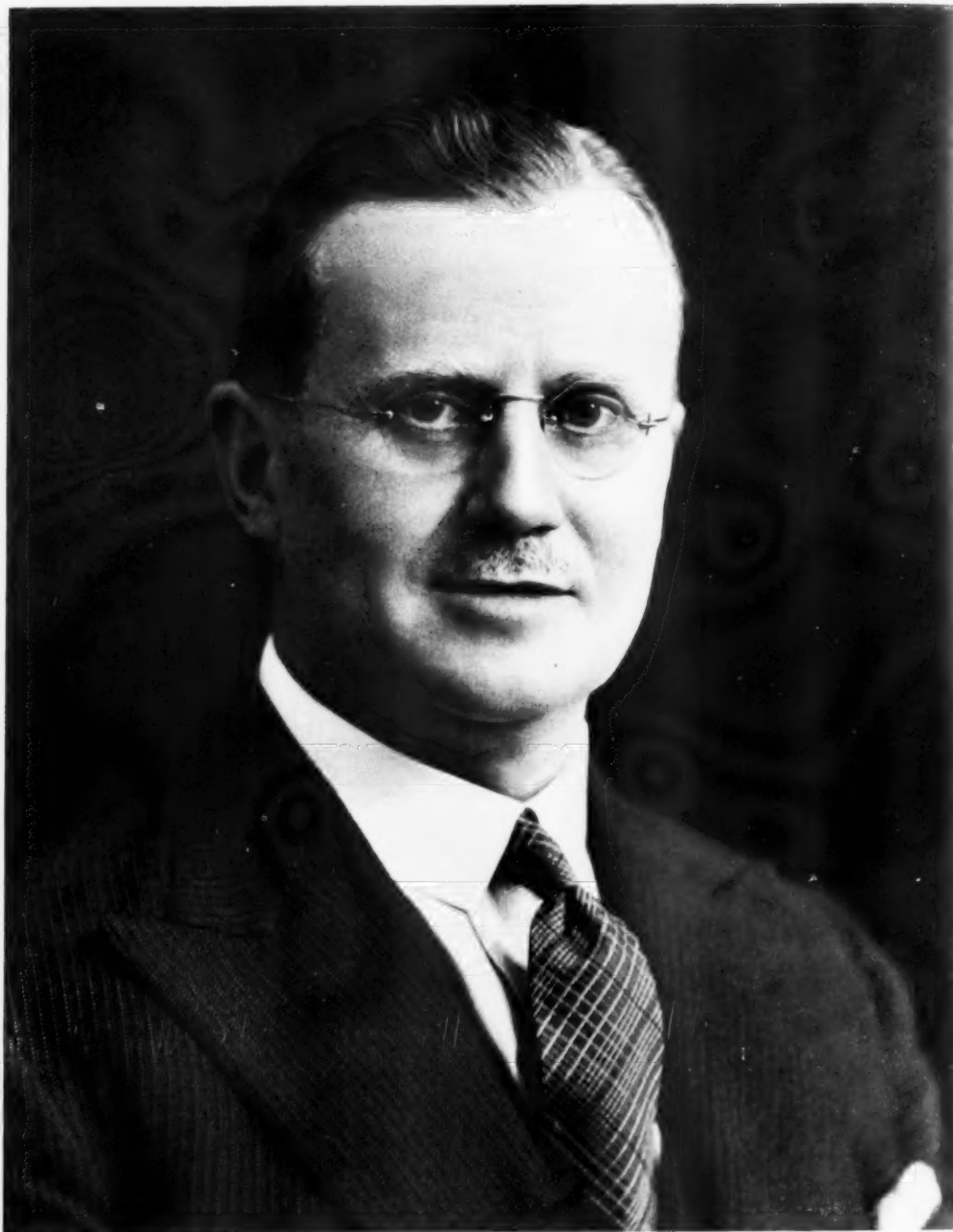
It was held by the House of Lords that sect. 20 (1) (a) of the Finance Act, 1922, did not apply, and the appellant was not assessable under rule 1 of Case V of Schedule D of the Income Tax Act, 1918, in respect of the whole income whether that income was or would be received by him in the United Kingdom or not. He was assessable, under rule 2 of Case V, only on the full amount of the actual sums annually received by him in the United Kingdom from the American trustee.

(H.L.; 1935, 51 T.L.R. 325.)

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